

## TELENET ANNOUNCES FULL YEAR 2005 RESULTS

### Excellent start to iDTV and rapidly increasing triple play growth deliver record sales and 26% increase in operating profit

**Belgium, February 27, 2006** –Telenet Group Holding NV (“Telenet” or the “Company”), Belgium’s largest provider of broadband cable services, announces its consolidated results under International Financial Reporting Standards as adopted by the EU (“EU GAAP”) for the full year ended December 31, 2005:

#### Highlights

- Strong Q4 drove record sales and net additions of internet and telephony RGUs in 2005
- 30% increase in number of triple play customers at the end of 2005 vs. end of 2004
- Rapid start to iDTV – 83,500 set top boxes sold by end of 2005
- Telenet Solutions enjoyed increased momentum in H2 2005, benefiting from a completed product portfolio, and now claims close to 1,000 activated Wi-Fi hotspots
- Revenues reached €737.5 million in 2005, up €56.4 million on 2004, with revenue growth accelerating to 10.4% in Q4 2005
- Operating profit increased 26% to €131.6 million
- EBITDA increased to €337.9 million in 2005, up 9% on 2004, yielding an EBITDA margin for 2005 of 46% vs 45% in 2004<sup>(1)(2)</sup>
- Net Loss, adjusted for one time debt redemption costs of €39.5 million was €37.2 million in 2005, compared to a net loss of €61.7 million in 2004.

Years ended	Dec 31, 2004	Dec 31, 2005	% change
	EU GAAP	EU GAAP	
<b>Financial Highlights</b> (€ millions)			
Revenues	681.1	737.5	8%
Operating Profit	104.7	131.6	26%
Net loss before debt extinguishment costs	(61.7)	(37.2)	
Net loss	(61.7)	(76.7)	
Basic and diluted net loss per share (Euro)	(0.71)	(0.86)	
EBITDA <sup>(1,2)</sup>	309.0	337.9	9%
EBITDA margin (%)	45%	46%	
<b>Operational Highlights</b> (RGUs in 000s)			
Total Broadband Internet RGUs <sup>(3)</sup>	529	624	18%
Total Telephony RGUs <sup>(4)</sup>	286	364	27%
Premium / Premium enabled RGUs	140	161	15%
Basic cable RGUs	1,583	1,589	0%
Triple play customers	136	176	30%
RGUs per unique customer	1.35	1.41	4%
ARPU per unique customer (Euro) <sup>(5)</sup>	25.3	26.8	6%

#### Commenting on the results, Duco Sickinghe, Telenet’s Chief Executive Officer, said:

“2005 has been a landmark year for Telenet and we are proud of the results that have been achieved. We successfully launched iDTV, our most important product launch since internet and telephony started, and also launched and announced significant enhancements for internet and telephony customers. Furthermore, in addition to the activity associated with our IPO, we remained focused on and dedicated to delivering what turned out to be our highest ever sales and net additions.

These achievements have delivered solid top line growth in customers and in revenues across all our products, generating an 8% increase in overall revenues in 2005 compared to 2004. With our growing triple play take up

(1) EBITDA is defined in EU GAAP as Operating profit + Depreciation + Amortization + Amortization of broadcasting rights

(2) 2005 US GAAP EBITDA: €330.8 million vs €299.6 million in 2004 (+10%)

(3) 2005 internet statistics exclude 12,000 Freesurf narrowband internet customers

(4) 2005 telephony statistics exclude 8,000 carrier pre-select (CPS) telephony customers

(5) On Combined Network

helping us to contain cost increases over the same period to 5%, we are pleased to report an increase in our EBITDA margin, from 45% in 2004 to 46% in 2005. These results, which were accomplished in a highly competitive market, with significant ARPU pressure and while sustaining the cost of our iDTV launch, reflect the commitment and determination of all those who work at Telenet.

Having made a positive start to the year, we look forward to the rest of 2006. We remain focused on our objectives in terms of iDTV take up, on maintaining high levels of customer service and on offering the most attractive, high quality products. The iDTV launch, our telephony tariff plans and our enhanced speed announcements for internet have generated strong customer awareness and we plan to capitalise on the positive momentum of these developments. Our team is pleased with the smooth introduction of iDTV and the multiple technical and operational aspects it encompasses, and will seek to maintain seamless performance across all of our services as we continue to pursue rapid growth.

In addition, we are excited to be working on several important business development projects and partnerships, including the recently announced mobile (MVNO) offering with Belgium's number two mobile operator, Mobistar. We anticipate that competitive pressures will persist across the board and will seek to maintain product and service leadership in the face of our competitors' challenges. Taking into account all these factors, we maintain the guidance for 2006 as reported in our last quarterly earnings release."

**About Telenet:** Telenet is the largest provider of broadband cable services in Belgium. Its business comprises the provision of cable television, high speed internet and telephony services, primarily to residential customers in Flanders. 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.

**Additional Information:** Additional information on Telenet and its products can be obtained from [www.telenet.be](http://www.telenet.be). Further information regarding the operating and financial data presented herein can be downloaded from the investor relations pages of our website. The full report for the year ended December 31, 2005 will be released on April 28, 2006 and will also be available from the investor relations pages of our website.

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**Safe Harbor Statement under the U.S. 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, 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; 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; our ability to complete the integration of our billing systems; 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. 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.

**Financial Information:** The financial data presented herein is presented in EU GAAP unless otherwise stated. In this earnings release, we have also presented certain financial data in US GAAP (our previous GAAP) to facilitate historical comparisons.

**1. BUSINESS REVIEW**

<b>RGUs (in thousands)</b>	Years ended December 31,		<b>% change</b>
	2004	2005	
Basic cable television <sup>(1)</sup>	1,583	1,589	0%
Premium and premium-enabled cable television <sup>(1)</sup>	140	161	15%
Broadband internet <sup>(2,4)</sup>	529	624	18%
Telephony <sup>(3,5)</sup>	286	364	27%
<b>Total RGUs</b>	<b>2,538</b>	<b>2,738</b>	<b>8%</b>
<b>Total unique customers</b>	<b>1,781</b>	<b>1,824</b>	<b>2%</b>

<b>Average monthly revenue per RGU (in Euro)</b>	Years ended December 31,		<b>% change</b>
	2004	2005	
Basic cable television	10.3	10.4	0%
Premium cable television <sup>(6)</sup>	33.3	28.8	-14%
Residential broadband internet	34.1	33.3	-2%
Residential telephony	37.1	33.3	-10%
<b>ARPU per unique customer<sup>(7)</sup></b>	<b>25.3</b>	<b>26.8</b>	<b>6%</b>

- (1) Includes 75,000 iDTV subscribers that have their set top boxes activated and which are recorded both as basic and as premium / premium-enabled RGUs
- (2) Excludes 12,000 Freesurf narrowband internet subscribers at the end of 2005
- (3) Excludes 8,000 CPS telephony subscribers at the end of 2005
- (4) Includes 22,000 and 23,000 coaxial business internet subscribers at the end of 2004 and 2005 respectively
- (5) Includes 5,000 and 6,000 coaxial business telephony subscribers at the end of 2004 and 2005 respectively
- (6) Decrease in Premium cable television ARPU reflects re-positioning of product and pricing
- (7) On Combined Network

**Operational highlights: A busy year of product introductions; good triple play growth**

With the launch of our iDTV services in September 2005, we have completed a critical component of our triple play strategy. We believe that a fully functioning triple play service benefits customers, cable operators and their partners and that our new iDTV offering is already starting to deliver these advantages for all participants. Our sales and marketing, customer call centre, installation processes and maintenance are all fully integrated, enabling any point of contact in the sales, installation or after-sales process to efficiently manage all aspects of a customer's relationship with Telenet.

Our telephony and internet products benefited significantly in 2005 from the momentum of our Freephone and Freephone Anytime tariffs and from continued speed leadership respectively, as well as from our first bundled internet and telephony offer, launched in July 2005. In November 2005, we completed the migration of former analog Canal+ customers on our network which enabled us to make more efficient use of our network bandwidth.

As a result of these factors, we have enjoyed an increasing take up of triple play (from 1.35 to 1.42 RGUs per unique customer on our network from December 2004 to December 2005). In addition, we enjoyed decreasing churn in our internet and telephony subscriber bases, which supported the increased revenues and EBITDA margins as described in this earnings release. The number of triple play customers on the Telenet Network increased by 30% between the end of 2004 and the end of 2005.

**Broadband internet: Continued strong sales**

Another year of strong sales added a net 95,000 subscribers to our broadband internet service, taking our total up from 529,000 at the end of 2004 to 624,000 at the end of 2005, an 18% increase. Out of these subscribers, our residential broadband internet subscriber base increased from 506,000 to 601,000 over the same period. Churn in this service decreased from 9.2% in 2004 to 8.5% in 2005, which we believe is a positive reflection of customer satisfaction for this product. The decrease in ARPU for this service reflects the growing prominence of our lower tier broadband offerings. At the end of 2005, 13% of our internet subscriber base comprised Comfortnet RGUs.

In July 2005, we launched a narrowband internet product, FreeSurf, as part of our first bundled offering. Freesurf is designed to offer new customers the chance to experience an "always on" internet product at a flat rate. We had 12,000 FreeSurf customers by year end (which are not included in the broadband internet

statistics reported above), and have observed an increasing trend among these narrowband customers, as well as our broadband internet subscribers, to migrate upwards into higher tiers.

In December 2005, we announced significant enhancements for our broadband internet customers, with a doubling of most broadband internet speeds, taking the downstream speed of our premier product, ExpressNet Turbo from 10 Mbps to 20 Mbps. Our most popular broadband product, ExpressNet, will also double its downstream speed to 10 Mbps. Upstream speeds will also increase. These enhancements will be introduced over a few months and we anticipate that they will all be completed during the second quarter of 2006, cementing Telenet's position as the leader in broadband internet speed.

**Telephony: New tariff plans boost subscriber growth**

2005 delivered Telenet's highest ever net annual increase in telephony subscribers. We ended 2005 with 364,000 total telephony subscribers, an increase of 78,000 compared to the 286,000 telephony subscribers at the end of 2004, a 27% increase. Out of these, we grew our residential telephony base from 281,000 to 358,000 subscribers. We experienced stronger downward pressure on our telephony ARPUs primarily due to ongoing fixed to mobile substitution and to our new tariff plans but enjoyed improved churn rates (11.3% in 2005, compared to 13.6% in 2004), which we also believe reflects positive customer satisfaction and the appeal of the triple play offering.

The key drivers to this growth were the recently introduced Freephone and Freephone Anytime rate plans, which offer fixed rate calling plans to national numbers, and the introduction of our first bundled offering, combining Freephone with the narrowband internet product Freesurf.

*Note: Starting with the publication of our IPO prospectus in October 2005, we exclude carrier pre-select (CPS) subscribers from our telephony statistics. We no longer actively market CPS services, on which we earn usage revenues only. We had 12,000 CPS RGUs at the end of 2004 and 8,000 at the end of 2005.*

**Television: Full introduction of iDTV service to subscribers on the Telenet Network**

We offer customers on the Telenet Network cable television services comprising a basic tier, available in analog and digital formats, and a premium tier, which is offered in digital format only. In September 2005, we launched the "Prime" brand, which replaced the former Canal+ services and formed the core of our premium sports and film programming for our iDTV service. In addition, we offer content from our Prime service to former Canal+ subscribers on the Partner Network.

Our basic cable TV service remained very steady, with 1,589,000 subscribers at the end of 2005, compared to 1,583,000 at the end of 2004. Beyond our basic cable TV service, following extensive preparations, all key network, IT, content, customer care, installation, customer equipment and related elements of our iDTV operation are working together seamlessly to offer a compelling new experience in interactive digital television. We announced the sale of the first 100,000 Digibox set top boxes (STBs) near the end of January 2006, and have also recently introduced our Digidorder STBs which will offer recording functionality in addition to the capabilities of the Digibox.

Although we are in the early stages of our overall iDTV deployment, we believe that initial trends are positive. By the end of 2005, we had sold 83,500 digital set top boxes, of which 75,000 had registered their smart card, thereby enabling thematic, premium or interactive services. The majority of these 75,000 registered users were new premium cable customers and the remaining minority were migrators from the former Canal+ service, resulting in the total premium and premium enabled cable TV RGUs rising from 140,000 at the end of 2004 to 161,000 at the end of 2005. The churn rate for this service is therefore not representative of the underlying behaviour of our premium and premium-enabled cable TV subscribers. The decrease in ARPU for our premium cable TV services is in line with our plan for the rollout of a premium iDTV offering aimed at attracting a wider market.

**Telenet Solutions: Improvements in sales**

Since the second quarter of 2005, we have experienced consistent growth in our business services division in a highly contested market. Telenet Solutions has established itself as a solid competitor, with an offering comprising key coaxial, DSL and fiber based products for voice, data and internet services. Revenues for 2005 reached €69 million, up 3% on the prior year, and up 5% on a year on year basis in the last quarter of 2005. We continue to develop niche opportunities such as Wi-Fi, which we believe will be key components of future fixed to mobile convergence products and services, and Wi-Fi will already play an important role in

our recent agreement with Mobistar. At the end of 2005, we completed the merger of Telenet Solutions NV with Telenet NV, enabling us to realise incremental operational and financial benefits from the full integration of this business.

## 2. FINANCIAL REVIEW

### Adoption of IFRS Accounting Standards

We commenced reporting our financial statements under EU GAAP starting with the year ended December 31, 2005. The adoption of EU GAAP results in certain differences when compared to the US GAAP accounting standard which we have previously applied to our financial statements. A summary of certain key differences between EU GAAP and US GAAP was presented in our IPO prospectus and can be downloaded from our website (<http://investors.telenet.be>).

In Telenet's case, the impact of the transition from US GAAP to EU GAAP is limited. There is no difference in our revenues and there are limited changes to our costs and capital expenditures. The most significant difference is the capitalisation and corresponding amortisation of certain content rights, which is the principal factor resulting in an increase in our EBITDA and a related increase in our expenditure on intangible assets. However, there are certain differences in the presentation of our financial statements. Our website includes a presentation which explains these differences in detail.

### Revenues

Revenues increased by 8%, from €681.1 million in 2004 to €737.5 million in 2005. This result was primarily driven by strong subscriber growth in our residential broadband internet and telephony services, which offset the price pressure on these individual services. The growth in internet revenue was the most significant contributor, delivering over two thirds of the total increase in revenues over the year. Although telephony subscribers grew faster on a proportionate basis during 2005, internet subscriber growth, on a larger base of subscribers, represented over 47% of total RGU growth across all products for Telenet in 2005.

Our premium cable television revenues exclude set top box revenues, which result from sales of iDTV set top boxes either directly to new iDTV customers or to retailers and are reported within "Distributors / other".

Importantly, we experienced accelerating growth towards the end of 2005, with revenues up 10.4% in Q4 2005 compared to the same quarter in 2004. This trend is attributable not only to set top box sales, but also to contributions from our telephony and internet products, as well as to growth in new revenues from our iDTV services.

Revenues (€ millions) – EU GAAP	Years ended December 31,		% change
	2004	2005	
Basic cable television	197.4	198.6	1%
Premium cable television	58.8	51.8	-12%
Distributors / other	8.8	17.2	95%
Residential broadband internet	192.3	231.1	20%
Residential telephony	157.2	170.3	8%
Business services	66.7	68.5	3%
Total Revenues	681.1	737.5	8%

### Expenses

Operating expenses and selling, general and administration (SG&A) expenses are not comparable between US GAAP and EU GAAP due to differences in the way depreciation and amortization expenses are presented. The data presented below for 2004 and 2005 is therefore not comparable to operating expenses and SG&A we have presented in prior reports.

Total costs and expenses increased by 5% from 2004 to 2005, compared to our 8% increase in revenues, a reflection of the leverage of our fixed cost base. Our costs of services provided increased by 7%, a result of the tightening gross margins we have experienced through the increase in content costs for our iDTV service and the reductions in ARPU on our internet and telephony services. However, our selling, general and administrative (SG&A) expenses benefited both from the absence of integration costs incurred in 2004 following the acquisitions of PayTVCo and of Telenet Solutions, and increased efficiency in our operations.

Our 2005 SG&A expenses included the costs associated with the launch of iDTV. Although the initial phase of the launch is completed, we anticipate that our plans to deliver rapid growth in iDTV during 2006 will maintain pressure on our efforts to manage SG&A expenses in the coming year.

(€ millions) – EU GAAP	Years ended December 31,		% change
	2004	2005	
Costs of services provided	430.7	459.0	7%
Selling, general and administrative	145.8	146.9	1%
Total costs and expenses	576.5	605.9	5%

Following the adoption of EU GAAP, we also present expenses by nature, the details and discussion of which are presented as follows:

Expenses by nature – EU GAAP (€ millions)	Years ended December 31,		% change
	2004	2005	
Employee benefits	107.5	110.3	3%
Depreciation	159.3	159.1	-
Amortization	35.6	39.1	10%
Amortization of broadcasting rights	9.4	8.1	(13%)
Network operating and service costs	178.9	208.4	16%
Advertising, sales and marketing	44.2	49.4	12%
Other costs	41.5	31.6	(24%)
Total costs and expenses	576.5	605.9	5%

Under EU GAAP, certain content costs are no longer reflected as operating expense when incurred but instead these content costs are capitalized and amortized subsequently. To facilitate the identification of this impact, we have reported the amount relating to this effect as “Amortization of broadcasting rights”.

Significant factors affecting the evolution of our employee costs in 2005 included the addition of employees to manage the growing iDTV business. Factors affecting the increase in network operating and service costs included the addition of set top box costs used for our iDTV rollout, increased payments of copyright fees compared to 2004, inventory write downs, higher call centre costs reflecting the record level of sales activity in 2005 and increases in building facilities, consultants and temporary staff costs. The increase in marketing costs is related to our record sales results and the iDTV launch. The item “Other costs” includes non-payroll overhead costs, other buildings costs and internal IT costs.

#### EBITDA, Operating Profit and Net Result

Consolidated EBITDA, which we define as earnings before interest, taxes, depreciation and amortization (including amortization of broadcasting rights), increased by 9%, from €309.0 million in 2004 to €337.9 million in 2005. We recorded an EBITDA margin of 46% in 2005, compared to 45% in 2004.

(€ millions) – EU GAAP	Years ended December 31,		% change
	2004	2005	
EBITDA	309.0	337.9	9%
Operating profit	104.7	131.6	26%
Net loss	(61.7)	(76.7)	-

Our operating profit continues to grow rapidly, having grown by 26% to €131.6 million in 2005, as compared to the previous year. These results reflected the steady depreciation and amortization we saw in our business, amid continued top line growth, during these periods.

For the full year 2005, net loss was €76.7 million, compared to €61.7 million for 2004, including the impact of one-time costs related to debt redemptions. Excluding these debt extinguishment costs of €39.5 million, our net loss was €37.2 million in 2005. Our basic and diluted net loss per share was €0.86 for 2005, compared to €0.71 for 2004.

**Cashflow, Capital Expenditure and Liquidity**

**Cashflow:** Total cash from operations for the year decreased by 9%, from €234.3 million in 2004 to €212.6 million in 2005. Excluding the impact of the interest component related to the Senior Discount Note redemptions, total cash from operations would have been €235.3 million in 2005. Capital expenditure for the year increased from €152.7 million for 2004 to €184.0 million in 2005, primarily driven by subscriber growth. The company closed 2005 with a positive cash balance of €210.4 million, including €136.1 million of proceeds from our IPO which we subsequently applied to the redemption of €124.8 million of principal of the Telenet Communications Senior Notes.

(€ millions) – EU GAAP	Years ended December 31,	
	2004	2005
Cash flows from operations	234.3	212.6
Cash from / (used in) investing activities	(152.7)	(184.0)
Cash from / (used in) financing activities	(107.5)	36.6
Net change in cash and cash equivalents	(25.8)	65.2

**Capital Expenditure:** Our capital expenditures were impacted by the transition from US GAAP to EU GAAP. Under US GAAP, our capital expenditures grew by €35.2 million, from the €141.5 million as previously reported, to €176.7 million. Under EU GAAP, since we capitalize certain of our content costs, these are reflected as capital expenditures on intangible assets and amortized on our balance sheet. In 2004, the impact of this treatment resulted in €11.2 million of intangible assets acquired, a portion of which was amortized and the balance recorded as a payable, and in 2005, the corresponding adjustment resulted in an incremental €7.3 million of intangible assets acquired and further changes in our payables. Under EU GAAP therefore, our total capital expenditures grew by €31.3 million, from €152.7 million to €184.0 million.

A significant portion of our capital expenditure was related to subscriber growth. We estimate that 62% of our 2005 capital expenditures were directly growth related (compared to 68% in 2004), and an additional 19% were indirectly growth related. The balance represented fixed capital expenditures such as network investments and replacements. The lower proportion of growth related expenditures in 2005 reflects improved unit costs we obtained on customer equipment in 2005 and the purchase of iDTV set top boxes by subscribers as opposed to by Telenet, as is the case for internet and telephony customers. However, Telenet still incurs installation and return path costs related to iDTV customers.

**Liquidity:** At the end of 2005, we had €210.4 million in cash on our balance sheet and we retain significant access to additional liquidity through our Senior Credit Facility. We currently have access to a €200 million in committed undrawn facilities and a further €150 million available subject to certain additional conditions. Using the net primary proceeds of our IPO, we applied €128.9 million of cash on November 23, 2005 towards a partial redemption of our Senior Discount Notes and on January 9, 2006 applied a further €136.0 million towards a partial redemption of the Telenet Communications Senior Notes. In addition, on November 21 and 22, 2005, we applied €9.3 million of cash towards redemptions of the Senior Notes and Senior Discount Notes pursuant to a change of control offer we had previously initiated.

### 3. OUTLOOK AND OTHER INFORMATION

#### Outlook

We are optimistic about our revenue growth, which we expect will accelerate in coming quarters. In the short term, we anticipate that this will be accompanied by EBITDA margin pressure and higher capital expenditures as we build our subscriber base, particularly in iDTV, but believe that this strategy will generate long term growth in our profits and stability in our market share.

We remain aware of the competitive nature of our markets and seek to continue to offer customers an attractive combination of products, pricing and customer service to maintain our favourable market position. For our internet service, we plan to maintain our speed leadership through our recently announced speed increases, which will double top speeds on most of our broadband products, with ExpressNet Turbo delivering 20 Mbps and our most popular product, ExpressNet soon to be offering 10 Mbps. We are well underway with the upstream upgrade of our network, which when completed together with our planned rollout of EuroDOCSIS 3.0, will enable potential broadband internet speeds of up to 100 Mbps. In telephony, we will maintain our focus on broadening the appeal of our service with the Freephone and Freephone Anytime products. In the meantime, we continue to add functionality and content to our iDTV service and will focus on maintaining the pace of customer additions throughout the year.

We project our revenue growth will be derived from a combination of continued internet and telephony sales, together with new revenues from iDTV and set top box sales. Sales and marketing costs supporting the strong subscriber growth, as well as higher content costs related to our iDTV offering and the lower EBITDA margin on set top box sales, will impact our margins during this period of heavy growth. We believe that the synergies we gain from our triple play offering, and the continued growth in our subscriber base, will be the sources of our sustainable future profitability.

We confirm our guidance in respect of 2006 as follows:

	<u>US GAAP</u>	<u>EU GAAP</u>
iDTV penetration	~20% by end 2006	~20% by end 2006
Revenue growth:	10-15% increase	10-15% increase
EBITDA margin:	42-44%	42-45%
Capital expenditure <sup>(1)</sup> :	€180-200 million	€190-210 million

Furthermore we anticipate that 65% of our capital expenditures will be allocated to fund customer and network equipment related to new subscriber and revenue growth, including the Expressnet upstream upgrade project. The balance will be for projects and fixed network costs including extensions, repairs and maintenance. The Expressnet upstream upgrade project is estimated to incur €20-27 million in capital investment in 2006.

#### Dividend Policy

Certain articles under Belgian company law and under Telenet Group Holding's Articles of Association restrict the ability of Telenet Group Holding to make dividend payments until certain minimum reserves are attained. In addition, our group's Senior Credit Facility and the indentures governing the Telenet Communications Senior Notes and Telenet Group Holding Senior Discount Notes impose significant restrictions on our ability to make dividends or other distributions. As a result, our ability to pay dividends relies on numerous factors, the impact of which we can not forecast with certainty.

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<sup>(1)</sup> Excludes projected expenditure related to our headquarters from 2006 to 2008, which will be funded by a finance lease.

**Procedures of the Independent Auditor**

The independent auditor, PriceWaterhouseCoopers Bedrijfsrevisoren bcvba, represented by Bernard Gabriëls, has confirmed that his audit work, which has been substantially completed, has not revealed significant adjustments to be made to the accounting information included in this earnings release.

**Subsequent Events**

MVNO announcement: On February 14, 2006, we announced that we had reached an agreement with Mobistar, Belgium's second largest mobile telephony operator, to establish a new mobile virtual network operator (MVNO). The MVNO will carry Telenet's branding and use capacity on Mobistar's network. We anticipate that Telenet mobile services will become available later this year.

Interconnection terminating rates: On February 7th 2006, the Belgian telecommunications regulator, the BIPT, published a consultation proposal regarding the interconnection terminating rates which we and mobile operators in Belgium currently receive. The proposed objectives of the BIPT are to align the termination rates of Telenet and the Belgian mobile operators in line with the termination rates received by Belgacom. Since Belgacom has the largest and longest established network, its interconnect termination rate, which is calculated on the basis of its incremental cost for receiving calls, is lower than Telenet's or the mobile operators, which have both fewer subscribers and more recently installed networks which are still incurring high depreciation costs. Although we have always projected a reduction in the termination rates we receive as our customer base grows, we and the Belgian mobile operators intend to vigorously contest the basis of the BIPT's proposal, which we do not believe is consistent with the principle of pricing interconnection at incremental cost, as set out in directives published by the EU.

Hypertrust acquisition: On February 2, 2006, we announced the acquisition of the assets and rights associated with Hypertrust, a Belgian provider of on-line digital photo services. Hypertrust's technology, which was previously marketed under the Pixagogo and Photoblog brand names, will allow Telenet broadband internet and iDTV customers to easily store, manage and share digital photographs.

**TELENET GROUP HOLDING NV  
CONSOLIDATED OPERATING STATISTICS**

<b>For the period ended</b>	<b>December 31, 2004</b>	<b>December 31, 2005</b>	<b>% Change</b>
	<b>(Unaudited)</b>		
<b>RGUs (in thousands)</b>			
<b>Cable television</b>			
Basic (excluding iDTV) .....	1,583	1,589	0%
Premium / Premium Enabled – Telenet Network .....	96	124	29%
Premium – Partner Network .....	44	37	-16%
Premium / Premium Enabled – Combined Network .....	140	161	15%
Residential broadband internet .....	506	601	19%
Residential telephony .....	281	358	28%
Business services .....	27	29	5%
<b>Total</b> .....	<b>2,538</b>	<b>2,738</b>	<b>8%</b>
<b>Cable television RGU breakdown (in thousands)</b>			
Basic Analog .....	1,583	1,514	-4%
Basic Digital .....	-	75	-
<b>Total Basic RGUs</b> .....	<b>1,583</b>	<b>1,589</b>	<b>0%</b>
<b>Unique customers (in thousands)</b>			
Telenet Network .....	1,583	1,589	0%
Partner Network .....	198	235	19%
Combined Network .....	1,781	1,824	2%
<b>RGUs per unique customer</b>			
Telenet Network .....	1.35	1.42	5%
Partner Network .....	1.33	1.36	2%
Combined Network .....	1.35	1.41	4%
<b>Penetration</b>			
Basic cable television (CATV) .....	94.1%	94.4%	-
Premium/premium enabled CATV / Telenet Network .....	5.7%	7.6%	-
Premium cable television / Partner Network .....	5.5%	4.6%	-
Residential broadband internet .....	21.3%	25.1%	-
Residential telephony .....	11.5%	14.7%	-

(1) 2005 result reflects migration of former Canal+ premium subscribers to new iDTV premium enabled tier

**TELENET GROUP HOLDING NV**  
**EU GAAP CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**  
(in thousands of Euro)

	For the years ended	
	December 31,	
	2005	2004
	(EU GAAP - Unaudited)	
REVENUES .....	737,492	681,125
COSTS AND EXPENSES		
Costs of services provided .....	(458,981)	(430,652)
GROSS PROFIT .....	278,511	250,473
Selling, general and administrative costs.....	(146,936)	(145,820)
OPERATING INCOME	131,574	104,653
Finance costs, net .....	(193,189)	(161,840)
NET LOSS BEFORE INCOME TAXES .....	(61,614)	(57,187)
INCOME TAX EXPENSE .....	(15,053)	(4,521)
NET LOSS .....	(76,667)	(61,707)
BASIC AND DILUTED NET LOSS PER SHARE:		
Weighted-average shares outstanding .....	89,503,387	86,527,257
Net loss per share .....	(0.86)	(0.71)

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

	For the years ended	
	December 31, 2005	December 31, 2004
	(EU GAAP - Unaudited)	
Net cash provided by operating activities.....	212,622	234,304
Net cash from / (used in) investing activities.....	(184,004)	(152,664)
Net cash from / (used in) financing activities .....	36,553	(107,478)
Net increase / (decrease) in cash and cash equivalents.....	65,171	(25,838)

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

	<u>December 31,</u> <u>2005</u>	<u>December 31,</u> <u>2004</u>
<u>(EU GAAP - Unaudited)</u>		
<b>ASSETS</b>		
<b>Non-current Assets:</b>		
Property and equipment .....	943,919	960,776
Goodwill .....	1,012,544	1,027,461
Other intangible assets .....	278,347	280,776
Other assets .....	860	1,009
Total non-current assets .....	2,235,670	2,270,022
<b>Current Assets:</b>		
Trade receivables .....	98,677	84,787
Other current assets .....	26,668	20,850
Cash and cash equivalents .....	210,359	145,188
Total current assets .....	335,704	250,825
<b>TOTAL ASSETS</b> .....	<b>2,571,374</b>	<b>2,520,847</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity:</b>		
Total equity .....	709,098	490,960
<b>Non-current Liabilities:</b>		
Long-term debt, less current portion .....	1,288,785	1,560,755
Other non-current liabilities .....	55,656	112,193
Total non-current liabilities .....	1,344,441	1,672,948
<b>Current Liabilities:</b>		
Current portion of long-term debt .....	156,129	20,009
Accounts payable .....	174,701	149,477
Accrued expenses and other current liabilities .....	74,129	73,618
Unearned revenue .....	112,876	113,835
Total current liabilities .....	517,835	356,939
Total liabilities .....	1,862,276	2,029,887
<b>TOTAL EQUITY AND LIABILITIES</b> .....	<b>2,571,374</b>	<b>2,520,847</b>

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

	<b>December 31, 2005</b>	<b>December 31, 2004</b>
	<b>(US GAAP)</b>	
	<b>(Unaudited)</b>	
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents.....	210,359	145,188
Accounts receivable, net of allowance for doubtful accounts of 19,094 and 15,544 at December 31, 2005 and December 31, 2004, respectively..	98,677	84,787
Other current assets .....	28,950	23,635
Total current assets .....	337,986	253,610
PROPERTY AND EQUIPMENT, Net .....	943,919	960,776
GOODWILL, Net .....	1,015,522	1,028,145
INTANGIBLE ASSETS, Net .....	271,065	274,209
DEFERRED FINANCE COSTS .....	44,650	63,845
OTHER ASSETS .....	780	1,009
<b>TOTAL ASSETS .....</b>	<b>2,613,922</b>	<b>2,581,594</b>
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Current portion of long-term debt .....	138,300	6,929
Accounts payable.....	169,354	145,696
Accrued expenses and other current liabilities .....	100,570	149,290
Unearned revenue .....	112,876	113,835
Total current liabilities .....	521,100	415,750
LONG-TERM DEBT, LESS CURRENT PORTION .....	1,333,435	1,624,600
OTHER LIABILITIES .....	48,545	51,018
<b>SHAREHOLDERS' EQUITY</b>		
Total shareholders' equity .....	710,841	490,226
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY .....</b>	<b>2,613,922</b>	<b>2,581,594</b>

**TELENET GROUP HOLDING NV**  
**US GAAP CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**  
(in thousands of Euro)

	For the years ended	
	December 31,	
	2005	2004
	(US GAAP)	
	(Unaudited)	
REVENUES .....	737,492	681,125
COSTS AND EXPENSES		
Operating (excluding depreciation and amortization) .....	(275,875)	(247,770)
Selling, general and administrative .....	(130,788)	(133,788)
Depreciation .....	(159,083)	(159,321)
Amortization .....	(39,086)	(35,647)
Total costs and expenses .....	(604,833)	(576,526)
OPERATING INCOME.....	132,659	104,599
Net finance costs .....	(192,726)	(161,280)
NET LOSS BEFORE INCOME TAXES .....	(60,067)	(56,681)
INCOME TAX EXPENSE .....	(12,758)	(3,837)
NET LOSS.....	(72,825)	(60,518)

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

	For the years ended	
	December 31,	December 31,
	2005	2004
	(US GAAP - Unaudited)	
Net cash provided by operating activities.....	205,328	223,138
Net cash from / (used in) investing activities.....	(176,711)	(141,498)
Net cash from / (used in) financing activities .....	36,553	(107,478)
Net increase / (decrease) in cash and cash equivalents.....	65,170	(25,838)