Working on your future

Financial report 2013

Table of content

Consolidated annual report of the board of directors for 2013 to the shareholders of Telenet Group Holding NV

The board of directors of Telenet Group Holding NV has the pleasure to submit to you its consolidated annual report of the year ended December 31, 2013, in accordance with Articles 96 and 119 of the Belgian Company Code.

In this report, the board of directors also reports on relevant corporate governance matters as well as certain remuneration matters. In accordance with article 3 of the Law of April 6, 2010 and with the Royal Decree of June 6, 2010, the board of directors has decided to adopt the 2009 Belgian Corporate Governance Code as the reference code for corporate governance matters.

Definitions

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

Accrued capital expenditures: 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.

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

Customer relationships: Customer relationships are equal to the sum of analog and digital basic cable TV subscribers on the Combined Network, including the network covered by the long-term lease with the pure intermunicipalities.

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

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

Important Reporting Changes

Reclassification of basic digital cable television subscribers: Effective April 1, 2013, Telenet reclassified 166,400 digital cable television subscribers to analog cable television subscribers to reflect a change in the definition of basic digital cable television subscribers. As of Q2 2013, Telenet's analog cable television subscriber base also includes subscribers who may use a purchased set-top box or other means to receive its basic digital cable channels without subscribing to any services that would require the payment of recurring monthly fees in addition to the basic analog service fee ("basic digital cable subscriber"). For comparative reasons, Telenet has retroactively applied the change to the prior year periods.

1. Information on the Company

1.1. Overview

Telenet is the largest cable television operator in Belgium. Telenet's hybrid fiber-coaxial ("HFC") cable network spans the Flanders region, covers approximately 61% of Belgium by homes passed and includes the metropolitan centers of Antwerp and Ghent and approximately one-third of Brussels. Telenet's shares are listed on the NYSE Euronext Brussels Stock Exchange under the ticker symbol TNET and it is part of the BEL20 stock market index.

Telenet offers analog and digital cable television and digital pay television, including high definition ("HD") and on-demand television, high-speed broadband internet and fixed and mobile telephony services to residential subscribers who reside in Telenet's network area. Telenet also combines its services into packages, or bundles, which offer subscribers the convenience of being able to purchase television, broadband internet and telephony services from a single provider at an attractive and discounted price. In addition, Telenet offers voice and data services, as well as value-added services including cloud, hosting and security solutions, to small, medium sized and large businesses throughout Belgium and parts of Luxembourg.

As of December 31, 2013, Telenet had 2,092,500 unique residential subscribers, which represented approximately 72% of the 2,893,800 homes passed by its network. As of December 31, 2013, all of Telenet's 2,092,500 unique residential subscribers subscribed to its basic cable television services, 1,464,900 subscribed to its broadband internet services, 1,065,000 subscribed to its fixed telephony services, and 750,500 customers subscribed to its mobile telephony services. Approximately 71% of its basic cable television subscribers had upgraded from analog to digital television and were generating incremental ARPU beyond the basic cable television subscription fee. For the year ended December 31, 2013, Telenet's total revenue was € 1,641.3 million, a 10% increase over the year ended December 31, 2012, and its Adjusted EBITDA was € 842.6 million, an 8% increase over the year ended December 31, 2012.

Pursuant to a 2008 agreement between Telenet, Interkabel, INDI ESV and four pure intermunicipalities (the "PICs") in Flanders (the "PICs Agreement"), Telenet acquired full rights to use substantially all of the network owned by Interkabel and the PICs, which encompasses about one third of Flanders (the "Partner Network" and together with Telenet's network, the "Combined Network"), under a long-term lease *(erfpacht/emphytéose)* for an initial period of 38 years. Under the PICs Agreement, Telenet is required to pay recurring fees in addition to the fees paid under certain pre-existing agreements with the PICs. The PICs remain the legal owners of the Partner Network. Following the PICs Agreement, Telenet now has the direct customer relationship with the analog and digital television subscribers on the Partner Network and is able to make all of its services available to all of the homes passed in the Partner Network.

Telenet's Combined Network is fully bi-directional and EuroDocsis 3.0 enabled, and provides a spectrum bandwidth capacity of 600 MHz. At December 31, 2013, an average of 580 homes was connected to each optical node, down from approximately 1,400 homes in 2010, which has increased download and upload speeds, and helped support new internet applications and enhanced services and technology. As not all homes connected subscribe to broadband internet services from Telenet, the number of active broadband households per optical node approximated 290 at December 31, 2013.

Telenet is increasingly focused on offering its subscribers broadband internet and telephony subscriptions and services together with its basic cable television services in the form of attractively priced multiple-play bundles. Telenet has derived, and believes it can continue to derive, substantial benefits from the trend towards bundled subscriptions, through which it is able to sell more products to individual subscribers, resulting in significantly higher ARPU per customer relationship and, in its experience, the reduction of customer churn. For the year ended December 31, 2013, Telenet's ARPU per customer relationship was € 47.6 per month, a 4% increase over its ARPU per customer relationship for the year ended December 31, 2012.

1.2. Basic cable television

Basic cable television is the principal medium for the provision of television services in Flanders and Telenet is the largest provider of cable television services in Belgium. Almost all Flemish television households are passed by the Combined Network. The high penetration of Telenet's basic cable television business has resulted in a steady source of revenue and cash flow. Currently, Telenet's main source of competition is with the Belgian incumbent's IPTV platform as traditional terrestrial broadcasting and direct-to-home satellite broadcasting are less popular in Flanders or elsewhere in Belgium.

Telenet's basic cable television subscribers have access to at least 21 basic analog television channels and an average of 26 analog radio channels. To facilitate the growing trend towards digital TV, new internet applications and higher broadband speeds in the future, Telenet has partially reduced the bandwidth allocated to analog channels in 2012. At the end of June 2013, Telenet launched a new television product, "TV with a card", using the CI+ technology (Common Interface Plus), which comes as standard in the latest TV sets. By placing a CI+ module with a smart card in a TV set, customers can watch basic digital cable television without a set-top box.

Telenet generally provides its basic cable television services under individual contracts with its subscribers, the majority of whom pay on a monthly basis. Subscribers to Telenet's basic cable television service pay a fixed monthly subscription fee for basic tier content, irrespective of the broadcasting format or number of channels received in the basic tier. As from January 26, 2014, Telenet charges its basic cable television subscribers a harmonized monthly fee of € 11.65 (including VAT), excluding copyright fees described below. The total monthly subscription fee for all basic cable television subscribers is € 15.35 (including VAT), which includes the copyright fee of € 3.70 per month (including VAT), which helps to offset copyright fees paid by Telenet to copyright collection agencies for certain content provided by the public broadcasters that is retransmitted over the Combined Network.

Telenet regularly reviews its pricing policy, carefully weighing the current and future economic and competitive environment. Historically, Telenet has been able to increase the subscription fee for its basic cable television service to offset inflationary impacts on its cost base.

Subscribers to total basic analog and digital cable television services were 2,092,500 at the end of December 2013, which represented approximately 72% of homes passed by Telenet's network. This represented a net loss of 27,300 basic cable TV subscribers for the year ended December 31, 2013. Despite continued competition from other digital platforms, including low-end offers, this marked a sharp improvement compared to the net loss of 75,800 basic cable TV subscribers for the year ended December 31, 2012, which was influenced by the intensely competitive environment and the analog channel reshuffle program of April 2012. The aforementioned net loss excludes migrations to Telenet's digital television platform and represents customers churning to competitors' platforms, such as other digital television providers and satellite operators, or customers terminating their television service or having moved out of Telenet's service footprint. Given the limited expansion of the number of homes passed and strong competition in the TV market, Telenet anticipates further churn of basic cable TV subscribers, offset by further growth in multiple-play subscribers, generating a much higher ARPU relative to the basic cable TV ARPU.

1.3. Digital & premium television

Up to September 2005, Telenet only offered basic analog television services to homes passed by its network. In September 2005, Telenet launched its interactive digital cable television service ("iDTV"), which includes both basic and premium offerings. In general, digital technology compresses video signals into a smaller amount of bandwidth than is currently used by analog transmissions, while also enhancing the audio and visual quality of the transmissions, which allows Telenet to broadcast a significantly greater number of channels by converting channels currently used for analog broadcasts into use for digital channels. Telenet's basic cable television subscribers who have installed a set-top box or CI+ module, and activated a smart card, have access to a total of more than 70 digital channels, including 15 HD channels, and approximately 36 digital radio channels. Telenet offers its basic cable television services in digital for no additional fee in order to encourage its subscribers to migrate to digital cable television so they can enjoy a richer TV experience, including access to electronic program guides ("EPG"), additional thematic content packs, exclusive movies and sports channels and a vast video-on-demand ("VOD") library of both local and international programs. In addition, digital cable television subscribers can also extend their TV experience beyond the traditional TV screen, to their smartphones, tablets, laptops or desktops thanks to "Yelo TV". In September 2013, Telenet launched "Rex" and "Rio", two new unlimited subscription video-on-demand packs. With "Rex" and "Rio", customers can view a wide selection of Flemish classics, TV shows, documentaries and blockbuster movies over their set-top box or via laptop, tablet or smartphone through "YeloTV" for a fixed monthly charge. At the end of December 2013, 67,000 customers subscribed to "Rex" or "Rio".

In order to access all of Telenet's premium iDTV offerings, subscribers need to install a set-top box, which acts as an interface between the subscriber and the Combined Network, and operates on the Multimedia Home Platform ("MHP") standard, which has been adopted by CableLabs and provides an open standard platform that gives Telenet the flexibility to integrate applications from a variety of sources. Telenet offers digital set-top boxes in a sale or a rental model. Telenet offers a choice of "HD Digibox" and "HD Digicorder" set-top boxes with alternative specifications and functionality, such as the ability to record, pause and playback digital content viewed on its service. As of December 31, 2013, approximately 83% of activated set-top boxes included a hard drive and personal video recording ("PVR") functionalities and approximately 83% were HD-enabled. The vast majority of digital cable television subscribers rent the "HD Digicorder" as this specific set-top box type is included in Telenet's multiple-play bundles and allows for a full, high-quality TV viewing experience including pausing, forwarding and recording functionalities.

Telenet's premium service includes a combination of premium sports and film channels, a range of extended thematic channels, a selection of films and broadcast content available on-demand and a variety of interactive features. Telenet's full premium interactive digital television offering is available to all subscribers passed by the Combined Network. Telenet's premium content is acquired through various studio contracts, including Universal Studios, MGM, Twentieth Century Fox, Paramount, Sony, Disney and Warner Brothers. These contracts generally require Telenet to make payments on the basis of a minimum number of subscribers, with adjustments made on a sliding scale once minimum subscriber levels have been attained. In addition, a few of these contracts require Telenet to share a portion of the additional revenue derived from price increases for its premium television packages with the content provider. The success of Telenet's premium services depends on its ability to obtain attractive content on reasonable terms. Following the launch of Telenet's digital cable television service and competing television services in Belgium, competition for premium content in Belgium has increased. If in the future, Telenet is unable to retain certain rights for premium content, its ability to attract and retain subscribers to its premium services, and its profitability, may be adversely affected. In addition, most content agreements entered into by Telenet with the major studios do not allow Telenet to offer content via interactive means. These agreements will therefore need to be renegotiated and content prices may increase.

In cooperation with the local broadcasters, Telenet has built a large broadcasting on-demand library, including historical and current content and previews of local series. In addition, Telenet's digital platform supports additional functionalities such as e-mail, short message services, search and recommend, online photo albums and access to government services and programs. Other features include several interactive search engines such as telephony directories, job searches and travel and transportation information.

In June 2011, Telenet acquired certain exclusive broadcasting rights for the Belgian football championship for the three seasons starting July 2011. As a result, Telenet was able to select and exclusively broadcast the three most important league matches from each week of the Jupiler Pro League on its Sporting Telenet pay television channels. From the 2012-2013 season onwards, Telenet was able to broadcast all league matches, including the five remaining matches from each week on a non-exclusive basis, which has resulted in incremental subscriber growth. At the end of December 2013, approximately 205,000 customers subscribed to Telenet's pay television sports channels, representing an increase of 5% as compared to December 31, 2012. Since its acquisition of the Belgian football broadcasting rights, Telenet has recorded a strong 64% increase in the number of subscribers to its pay television sports channels. Sporting Telenet exclusively broadcasts the most important fixtures of the Belgian football championship alongside the most popular international football leagues and other major sporting events, such as NBA basketball and golf. Pricing is dependent on the number of services ordered and ranges from € 16.45 per month for triple-play subscribers to € 27.45 per month for single-play subscribers (both including VAT). At the end of May 2014, the current three-year Belgian football broadcasting contract will expire. Telenet is currently exploring all available options to continue offering Belgium's first division football to its customers.

At the end of December 2013, approximately 71% of Telenet's basic cable TV subscribers were generating incremental revenue on its interactive digital TV platform. This represented a total of 1,491,400 digital TV subscribers, an increase of 7% as compared to December 31, 2012. For the year ended December 31, 2013, Telenet attracted over 90,000 net digital TV subscribers. Compared to the year ended December 31, 2012, Telenet recorded sharply lower net subscriber growth as the commercial performance for the year ended December 31, 2012 was significantly boosted by the implementation of the analog channel reshuffle. Going forward, Telenet will continue to focus on migrating the vast majority of its remaining analog TV subscribers to its leading digital TV platform.

1.4. Broadband internet

Telenet is the leading provider of residential broadband internet services in Flanders. Through its HFC upgraded network, Telenet offers its residential subscribers broadband internet service at downstream data transfer speeds of up to 120 Mbps. Telenet's current residential offerings include multiple tiers, which range from "Basic Internet", which allows end users to receive data from the internet at a downstream data transfer speed of up to 30 Mbps, to "Internet 120", which offers end users a downstream speed of up to 120 Mbps. Telenet believes its broadband internet subscriber base is one of the most advanced in Europe given that the average download speed per broadband internet subscriber reached 65 Mbps at December 31, 2013 versus 43 Mbps at the end of June 2013 prior to the launch of the new all-in-one bundles "Whop" and "Whoppa".

Telenet's Combined Network uses EuroDocsis 3.0 technology, which positions Telenet as the fastest internet service provider in its footprint with unrivalled download speeds of up to 120 Mbps. Under current offerings, all new broadband internet customers enjoy download speeds of at least 60 Mbps, which exceeds the base tier download speeds of Telenet's direct competitors.

Thanks to continuing investments in its leading HFC network, Telenet's customers can continue to enjoy a great broadband internet experience, both at home and on the move. To this end, Telenet made further progress with the deployment of WiFi Homespots across its footprint. A Homespot is a modem that transmits two concurrent signals: one for private use and another for public use. This enables customers, who have a Telenet wireless internet modem, to log onto the WiFi network of friends or relatives with their own login and hence, they can use a much faster data network compared to the wireless 3G networks. At December 31, 2013, Telenet operated nearly 1 million active WiFi Homespots, which represented approximately 67% of its broadband internet subscriber base.

At December 31, 2013, Telenet served 1,464,900 broadband internet subscribers, up 6% as compared to year ended December 31, 2012. As a result, approximately 50.6% of the homes passed by its leading HFC network subscribed to one of its leading broadband internet products as compared to 48.4% at December 31, 2012. For the year ended December 31, 2013, Telenet attracted 77,200 net broadband internet subscribers. Annualized churn for its broadband internet service fell 20 basis points from 7.5% for the year ended December 31, 2012 to 7.3% for the year ended December 31, 2013 despite the more competitive environment following the introduction of the new Telecoms Law in October 2012. This Law made it easier for consumers to switch to another operator without facing a contract penalty.

The broadband internet access market in Belgium is well established, with broadband internet access penetration at approximately 33% and 34% of the total population, for Belgium and the Flanders region, respectively, based on the 2012 annual report from the national telecoms regulator BIPT ("Belgian Institute for Postal Services and Telecommunications"). Telenet's ability to continue to further grow the broadband market will depend in part on increases in the number of households with an internet connectable device in Flanders and parts of Brussels.

1.5. Telephony

1.5.1. Fixed telephony

Telenet offers its residential subscribers local, national and international long distance fixed telephony services and a variety of value-added features. In Flanders, Telenet is currently the largest competitor to Belgacom NV/SA, the Belgian incumbent, due in part to Telenet's emphasis on customer service and innovative flat-fee rate plans. Substantially all of Telenet's fixed telephony subscribers use voice-over-internet protocol ("VoIP") technology, which utilizes the open standards EuroDocsis protocol, and through which Telenet is able to provide both internet and telephony services.

Telenet's residential telephony subscribers are charged a combination of fixed monthly fees for their telephone line, variable fees based on actual usage and, for certain tariff plans, fixed fees for unlimited calling to national fixed lines at all times. Flat-rate usage charges apply for calls placed to other fixed and mobile lines in Belgium and all European member states during off-peak hours. Telenet seeks to price its residential telephony products to provide a better value alternative to Belgacom. It also offers its residential subscribers enhanced telephony features for additional fees. Enhanced offerings include packages of features and individual services such as voicemail and caller ID. In early May 2013, Telenet enriched its fixed telephony offer through the launch of "Triiing". This application allows fixed telephony subscribers to call with their smartphones over WiFi networks at attractive flat fee rates instead of generally more expensive mobile tariffs. As around 50% of calls originated by mobile phones are made at home, "Triiing" is essentially a money saver for Telenet's customers. At the end of December 2013, Telenet already had over 133,000 registered devices using the app, which was more than double the number of registered devices at the end of September 2013.

For the year ended December 31, 2013, Telenet attracted 96,300 net fixed telephony subscribers, which was up 9% compared to the year ended December 31, 2012. At December 31, 2013, Telenet served 1,065,000 fixed telephony subscribers, which was up 10% compared to the year ended December 31, 2012. As a result, approximately 36.8% of the homes passed by its network at December 31, 2013 subscribed to its fixed line telephony service as compared to 33.8% at the end of December 2012. In the course of the year ended December 31, 2013, Telenet has experienced a meaningful acceleration in net fixed telephony subscriber additions driven by the successful repositioning of its multiple-play bundles and the launch of "Triiing" in early May 2013. Annualized churn for its fixed telephony service improved slightly from 7.8% for the year ended December 31, 2012 to 7.4% for the year ended December 31, 2013 despite the introduction of the new Telecoms Law and the reduction of mobile prices in Belgium.

1.5.2. Mobile telephony

Telenet offers its mobile telephony services under the Telenet Mobile brand name. Telenet provides this service through a mobile virtual network operator ("MVNO") partnership with Mobistar NV, the second largest mobile operator in Belgium. On April 27, 2012, Mobistar and Telenet extended their strategic partnership to 2017. With the renewed Full-MVNO agreement, Telenet can further expand its offer for mobile voice and data using Mobistar's mobile telecommunications network, and will also gain access to Mobistar's future 4G/LTE ("Long-Term Evolution") mobile network. Through a partnership with Telenet, the Walloon cable operator Tecteo SCRL will also be able to make use of this renewed Full-MVNO agreement to provide mobile services for its cable customers. The renewed Full-MVNO agreement can be terminated in case of material breach and certain events, including changes of control and regulatory events. In the event of termination, an exit plan will apply permitting Telenet to migrate its mobile telephony customers to another radio access network provider.

In July 2011, Telenet Tecteo BidCo NV, a subsidiary of the Company in which Tecteo SCRL holds a 25% stake, acquired the fourth 3G mobile spectrum license in Belgium, for the minimum reserved price of € 71.5 million. In total, Telenet Tecteo BidCo NV acquired 14.8 MHz of paired 3G spectrum in the 2.1 GHz band, and it exercised the option to acquire another 4.8 MHz of paired 2G spectrum in the 900 MHz band and 10 MHz of paired 2G spectrum in the 1800 MHz band as of November 27, 2015 for a total consideration of € 31.5 million. Telenet has carefully weighed all available options to operate its frequencies in the 2.1 GHz band, leveraging as much as possible on existing infrastructure assets and seeking a more intense collaboration with the existing Belgian mobile network operators through mutually beneficial partnerships. In December 2013, Telenet's management determined that it would not be able to utilize the spectrum rights (held by Telenet Tecteo BidCo NV) as a result of the conclusion of negotiations with network operators in Belgium and the absence of regulatory alternatives. This resulted in a triggering event with respect to the intangible asset related to 3G mobile spectrum license, and, after performing an impairment analysis, Telenet recorded an impairment charge of € 53.3 million during the fourth quarter of 2013 to reduce the carrying amount of this intangible asset to zero. On February 13, 2014, Telenet Tecteo BidCo NV notified the BIPT that it will return the acquired 3G mobile spectrum by April 1, 2014. Following Telenet's assessment that it will not be able to utilize the 3G spectrum rights, Telenet Tecteo BidCo NV also informed the BIPT at the end of 2013 that it will not use its option to use the aforementioned 2G spectrum.

During 2012, Telenet launched its mobile postpaid rate plans "King" and "Kong", which offer customers simple, transparent and attractively priced subscriptions including a wealth of voice minutes, text messages and mobile data to cater to almost everyone's mobile needs. Initially, customers who combined these mobile plans with any of Telenet's fixed products received a recurring monthly discount, but in November 2013 Telenet harmonized headline prices for both new and existing cable subscribers. The introduction of these new rate plans, and the improvements Telenet has made to its mobile offers in the fourth quarter of 2012, have resulted in strong customer demand. As a result, Telenet was able to significantly boost its active mobile telephony subscriber base from 521,600 active postpaid subscribers at the end of December 2012 to 750,500 at December 31, 2013. For the year ended December 31, 2013, Telenet achieved 228,900 net postpaid subscriber additions in its Flanders and Brussels franchise areas. During the year ended December 31, 2013, Telenet has experienced an anticipated slowdown in the rate of net mobile subscriber additions against the backdrop of a more competitive market environment following a re-pricing by all of its main direct competitors and the fading effect from the October 2012 Telecoms Law. Furthermore, Telenet deliberately rebalanced its subscriber acquisition strategy during the second quarter of 2013, resulting in more cost-effective subscriber acquisitions.

In addition to its efforts to attract new mobile subscribers, Telenet remained focused on migrating its existing customers to the new competitive rate plans to ensure that they are on the best rate plan for their actual usage. At the end of December 2013, "King" and "Kong" represented approximately 71% of Telenet's overall mobile telephony subscriber base compared to approximately 55% at the end of December 2012. Telenet's focus on customer value in mobile resulted in a further improvement of the mobile ARPU. For the year ended December 31, 2013, mobile ARPU (including interconnection) reached € 30.4, representing a 7% increase as compared to the year ended December 31, 2012.

1.5.3. Interconnection

Interconnection is the means by which users of one telephony network are able to communicate with users of another telephony network. For a subscriber located on one telephony network to complete a telephone call to an end user served by another telephony network, the subscriber's network service provider must connect to the network serving the end user. Typically, the network serving the end user charges the subscriber's service provider a fee to terminate the communication on its network, which is based on a call set-up charge and on the length of the telephone call. Interconnection revenue and expenses have a significant impact on Telenet's financial results. As a result, Telenet is focused heavily on managing this cost.

Telenet's interconnection practices are subject to comprehensive regulation by the BIPT. Following the adoption of the EU Regulatory Framework in Belgian law, the BIPT decided in August 2006 to implement a three-year gliding path to near reciprocity starting on January 1, 2007. From January 1, 2009 to March 31, 2012, Telenet was allowed to charge to Belgacom the Belgacom termination charge to Telenet plus 15%. As of April 1, 2012, this 15% surcharge is no longer permitted, thus reaching full reciprocity on the Belgian fixed telephony market. In October 2006, Belgacom submitted an appeal to the Court of Appeal in Brussels arguing for a faster reduction in Telenet's interconnection rates. Telenet has also launched an appeal with the Brussels Court of Appeal arguing that the reduction in its interconnection rates should be cost oriented. In the course of 2013, a settlement was reached between the parties regarding this interconnection dispute.

As for mobile telephony, the BIPT imposed sharply declining prospective mobile termination rates following its market analysis dated June 2010. As a result, mobile termination rates have been capped for each mobile network operator at € 1.08 cent per minute starting January 2013 (while still taking into account inflation versus year of reference). This marks a 60% decline compared to the average mobile termination rate of € 2.67 cent per minute, which was applicable as of January 1, 2012. Although the previous regulatory glide path for mobile termination rates has ended on December 31, 2013, the BIPT has not released mobile termination caps for 2014.

For the year ended December 31, 2013, Telenet incurred interconnection expenses of € 142.4 million (€ 72.7 million for the year ended December 31, 2012) and received interconnection revenue of € 83.7 million (€ 38.3 million for the year ended December 31, 2012). Telenet reports the interconnection revenue generated by its fixed and mobile telephony subscribers under 'Residential telephony', while the incurred interconnection fees are accounted for under 'Network operating and service costs'.

Telenet's principal interconnection agreements are with Belgacom and the main telecommunication operators in Belgium and Luxembourg. Belgacom provided fixed telephony services to an estimated 69% of the Belgian fixed-line market at the end of 2013. A provisional interconnection agreement governs Telenet's relationship with Belgacom. As of May 1, 2005, the term of Telenet's provisional interconnection agreement with Belgacom was extended for an indefinite term, provided that both parties may terminate the agreement on three months' prior notice. Pursuant to the terms of this agreement, Telenet and Belgacom agree to terminate calls to users on their respective networks. Belgacom charges Telenet its standard tariffs for these services, which is an average of € 0.0069 per minute for fixed line calls. Telenet charges higher rates to terminate domestic calls on the Combined Network pursuant to certain decisions of the BIPT, which effectively modified its provisional interconnection agreement with Belgacom. From January 1, 2009 to March 31, 2012, Telenet was allowed to charge to Belgacom, the Belgacom termination charge to Telenet plus 15%. As of April 1, 2012, this 15% surcharge has been canceled by BIPT decision, thus reaching full reciprocity on the Belgian fixed telephony market. In the context of the Telenet mobile interconnection discussions with Belgacom, a definitive interconnection agreement was signed. This agreement between Telenet and Belgacom now replaces the previous provisional agreement. Telenet's agreement with Belgacom Mobile can be terminated by either party on eight-months prior notice. A number of other fixed domestic operators have shown interest in setting up a direct interconnect with Telenet.

Telenet's Full-MVNO agreement with Mobistar necessitated a number of new interconnection agreements to allow other domestic operators to connect to its mobile core network. Interconnection agreements with the main network operators in Belgium are in service. For the purpose of serving mobile telephony subscribers roaming abroad, Telenet has closed a roaming agreement with an international provider, acting as a roaming hub provider. In the premium service mobile business, Telenet connects to content aggregators, and as such provides mobile telephony subscribers access to premium text and multimedia services.

1.6. Business services

Telenet's business customers include small and medium-sized enterprises ("SMEs") with between five and one hundred employees; larger corporations; public, healthcare and educational institutions; and carrier customers that include international voice, data and internet service providers. For the year ended December 31, 2013, Telenet's business services operations generated € 90.8 million in revenue, which was € 1.0 million lower compared to the year ended December 31, 2012 due to the negative impact from lower nonrecurring installation and security revenue associated with changes in how we recognize certain upfront fees. Telenet markets its business services under the Telenet for Business brand name. Telenet's corporate customers generally connect to the Combined Network directly through a fiber optic connection and its SME customers connect to the Combined Network through a fiber, digital subscriber line ("DSL") or coaxial connection, depending on the scope of their needs and their location relative to the Combined Network.

Telenet for Business offers a range of voice, data and internet products and services that are tailored to the size and needs of each customer. Telenet provides services to business customers throughout Belgium and parts of Luxembourg. With the inclusion of DSL services, Telenet has flexibility to target customers throughout Belgium because it is not dependent on such customer's proximity to the Combined Network. Telenet's business customers evaluate its offerings based on price, technology, security, reliability and customer service. Internet products include i-Fiber, WiFi services and internet over copper leased lines, DSL lines or coaxial connections. Voice products include a range of fiber, coaxial and DSL products matched to the capacity needs of customers, as well as other services. Data products consist primarily of various forms of leased lines, which are typically sold to corporate customers and to carriers. Telenet also offers virtual private network ("VPN") customized services for customers of which, in particular, Telenet's IP-enabled product is a strong growing product in its portfolio.

Sales and marketing teams for Telenet's business customers are organized on a regional, business sector and customer size basis. The prices that Telenet offers its corporate, public, healthcare, educational and carrier customers are usually negotiated within fixed parameters, whereas more standardized prices typically apply to Telenet's SME customers. For certain large corporations, Telenet enters into individual agreements under which it must meet minimum service levels.

The availability of EuroDocsis 3.0 represents an important development for Telenet's positioning in the business-to-business market. Given the higher download speeds, better product specifications and improved quality of service over competing technologies, Telenet is in a strong position to increase its market share in the business-to-business market both for select, smaller corporate segments and larger corporate accounts. Telenet's leading connectivity solutions are being complemented by a growing portfolio of value-added services, such as hosting, managed security and cloud computing amongst others. This will enable Telenet for Business to offer a single-user experience for not only connectivity solutions but also for a whole range of additional value-added services.

1.7. Network

In 1996, Telenet acquired the exclusive rights to provide point-to-point services, including broadband internet and fixed telephony services, and the rights to use a portion of the capacity of the Partner Network. Currently, under the PICs Agreement, Telenet has full rights to use substantially all of the Partner Network under a long-term lease *(erfpacht/emphythéose)* for an initial period of 38 years (of which 33 years are remaining), for which Telenet is required to pay recurring fees in addition to the fees paid under certain pre-existing agreements with the PICs.

Through its Combined Network Telenet provides cable television in analog, digital and HD formats, broadband internet and fixed telephony services to both residential and business customers who reside in its service area. Telenet's combined broadband HFC network consists of a fiber backbone with local loop connections constructed of coaxial cable with a minimum capacity of 600 MHz. The Combined Network uses EuroDocsis 3.0 technology, which enables Telenet to currently offer downstream speeds of up to 120 Mbps. Telenet's Combined Network assets include approximately 12,000 kilometers of fiber backbone, of which Telenet owns 7,300 kilometers, utilizes 2,580 kilometers pursuant to long-term leases and has access to 2,100 kilometers through its agreements with the PICs. The fiber backbone connects to approximately 68,000 kilometers of coaxial local loops, of which 50,000 kilometers is in the Telenet Network and the balance is in the Partner Network. Telenet owns the primary and secondary fiber backbone on the Combined Network and the fiber and coaxial cable on the Telenet Network. The PICs own the additional fiber and the coaxial cable included in the HFC access loops on the Partner Network.

In addition to its HFC network, Telenet offers services to business customers across Belgium and in parts of Luxembourg through a combination of electronic equipment that it owns and fiber that is predominantly leased. Telenet has also installed equipment necessary to provide voice, data and internet services using DSL technology. DSL technology enables Telenet to serve business customers that are not currently close to its network in a more cost effective manner than through Belgacom's telephone network.

Telenet's fiber backbone is currently running All-IP and carries all of its communications traffic. Telenet also uses fully converged multi protocol label switching ("MPLS") to route its IP traffic, which enables it to more efficiently tag data to better manage traffic on the Combined Network. This means, for example, that voice packets can be given priority over data packets to avoid interruption to voice communications.

Customers connect to the Combined Network through a coaxial connection from one of Telenet's nodes. Amplifiers are used on the coaxial lines to strengthen both downstream and return path signals on the local loop. Network quality usually deteriorates as customer penetration rates on any particular node increases. When required, the scalability of Telenet's network enables it to address this problem, within limits, through node splits. Telenet uses node splits, among other measures, to manage potential congestion in certain parts of the Combined Network. At the beginning of 2010, Telenet announced the start of a node splitting project to reduce the number of homes connected to an optical node from an average 1,400 in 2010 to an average of 500 homes per node by 2015, with the design ready to move to an average of 250 homes per node, thereby significantly increasing the network capacity. Telenet is executing the node splitting project over a five-year period for a total expenditure of approximately € 150.0 million. This amount could vary, however, depending on market conditions, supply arrangements and numerous other factors. At the end of December 2013, an average of 580 homes was connected to each optical node. As not all homes connected subscribe to broadband internet services from Telenet, the number of active broadband households per optical node approximated 290 at December 31, 2013.

Telenet's network operating center in Mechelen, Belgium, monitors performance levels on the Combined Network on a continuous basis. Telenet has a separate disaster recovery site for back office systems, and its network has been designed to include redundant features to minimize the risk of network outages and disasters with the fiber optic rings designed to reroute traffic in the opposite direction around the ring in the event that a section of the ring is cut. Telenet has insured its buildings, head end stations, nodes and related network equipment against fire, floods, earthquakes and other natural disasters, but is not insured against war, terrorism (except to a limited extent under its general property insurance) and cyber risks. Telenet carries insurance on its fiber optic network up to a capped amount, but does not carry property damage insurance for its coaxial network.

1.8. Strategy

The Company's customer-centric goal is to offer the best and most reliable technology for customers to enjoy their digital lifestyles at home and away. By providing innovative and competitive fixed and mobile products accompanied by high-quality and effective customer service, the Company aims to reach this goal. Telenet's proven long-term multiple-play strategy enables the Company to increase the ARPU per customer relationship as more customers choose Telenet for all their digital services, and a continued focus on customer satisfaction aims to reduce the propensity to churn. Telenet's focus is on delivering leading broadband and flat-fee fixed telephony services alongside a fully interactive and rich digital TV platform. Therefore, Telenet will continue to invest in its HFC network to stay ahead of other platforms and to outperform competing product offerings.

Telenet currently offers download speeds of up to 120 Mbps, which reaffirms its status as the fastest internet service provider in its footprint. Telenet will continue to invest in its network by bringing the optical network closer to the homes. Today, an average of 580 homes is connected to each optical node, down from an average of 1,400 in 2010, and by 2015 this average will be further reduced to 500. By 2015, Telenet will have tripled the capacity per household as it anticipates growing customer demand for higher internet speeds, data volumes and the rise of other digital services. Telenet is confident that the combination of an optimization of its network bandwidth and the introduction of EuroDocsis 3.1 will keep Telenet in a leading position to deliver high-speed services in the mid- and long-term future. Telenet will closely monitor its capital expenditure levels in order to make sure that its investments drive incremental returns.

Telenet continues to see many opportunities to upsell its single-play customers, which still represented 25% of its overall customer base as of December 31, 2013, to triple- and quadruple-play services and aims to convert around 29% of the remaining analog cable TV subscribers to the higher ARPU digital platform. Concurrently, Telenet will seek to increase the proportion of digital cable television subscribers subscribing to additional premium content offerings. At December 31, 2013, approximately 13% of its digital cable television subscribers subscribed to additional premium content offerings. The introduction of "Rex" and "Rio" in September 2013 has further enhanced Telenet's unique and leading positioning in terms of both local and international premium content with 67,000 subscribers to "Rex" and "Rio" at the end of December 2013.

Telenet continues to expect further penetration growth for the broadband market in its footprint and to gain additional subscribers through a combination of sustained product and speed leadership and customer service. Telenet remains upbeat about its growth opportunities in the business services market. Its B2B portfolio mainly comprises services, for which market share growth in 2013 and beyond is forecasted despite the highly competitive environment. Telenet for Business, Telenet's business services unit, wishes to build on the investments of recent years by approaching the market with an integrated portfolio of leading connectivity, security and hosting solutions and with a strong focus on widely available coax products.

The Company's successful repositioning in mobile and its focus on more cost-effective mobile subscriber acquisitions will increasingly contribute to the overall top line and Adjusted EBITDA growth. Customers value Telenet's simple, transparent and competitive mobile offers, which create an opportunity to cross-sell mobile into its significant fixed subscriber base. At the end of December 2013, only 16% of Telenet's fixed customer base also subscribed to its mobile products, implying a considerable growth opportunity ahead.

Telenet wishes to further excel in customer service and loyalty. Telenet will continue to optimize its processes and platforms focusing on the customer. By doing things in a better and smarter way, Telenet will be able to control its cost base, which will allow further investments in business growth.

2. Discussion of the consolidated financial statements

2.1. Revenue by service

For the year ended December 31, 2013, Telenet generated revenue of € 1,641.3 million, up 10% compared to the year ended December 31, 2012 when Telenet produced revenue of € 1,488.8 million. All of Telenet's revenue growth for the year ended December 31, 2013 was organic and predominantly attributable to the robust growth of its mobile business, characterized by strong RGU and ARPU growth of 44% and 7%, respectively. Telenet's fixed business also contributed to revenue growth, driven by both further RGU growth and the benefit from the selective 2.9% price increase on certain fixed services (excluding the basic cable television subscription fee) implemented in February 2013, partially offset by the proportion of bundle discounts allocated to fixed services prior to November 2013 as a result of mobile subscriber growth.

Telenet's revenue for the year ended December 31, 2013 remained well balanced with cable television, including basic cable television, digital and premium cable television, broadband internet and residential telephony all representing significant proportions of its total revenue.

For further information, we refer to note 5.18 to the consolidated financial statements of the Company.

2.1.1. Cable television

For the year ended December 31, 2013, Telenet's aggregate cable television revenue, which comprises basic cable television and premium cable television revenue, was € 550.4 million (€ 547.4 million for the year ended December 31, 2012).

Basic cable television revenue, which represents the monthly fee paid by basic cable television subscribers for the analog and digital channels they receive in the basic tier, amounted to € 314.7 million for the year ended December 31, 2013. The 2% year-on-year decrease compared to the year ended December 31, 2012 primarily reflected a gradual decrease in the active subscriber base and the absence of a price increase for our basic cable television subscription fee for the year ended December 31, 2013.

Telenet's premium cable television revenue represents the revenue generated by digital cable television subscribers on top of the basic cable television revenue described above and includes amongst others recurring set-top box rental revenue and the revenue generated by thematic channels, movies and sports pay television channels and VOD. Premium cable television revenue increased 4% from € 227.7 million for the year ended December 31, 2012 to € 235.7 million for the year ended December 31, 2013, driven by a higher proportion of set-top box rental revenue and a solid increase in the number of pay television subscribers.

2.1.2. Residential broadband internet

The residential broadband internet revenue generated by residential and small business broadband internet RGUs totaled € 469.3 million for the year ended December 31, 2013 and was up 3% compared to the year ended December 31, 2012 when Telenet recorded residential broadband internet revenue of € 453.8 million. A solid 6% growth in Telenet's RGU base and the benefit of the aforementioned 2.9% price increase was partially offset by a higher proportion of bundle discounts from both multiple-play and mobile subscriber growth.

2.1.3. Residential telephony

Telenet's residential telephony revenue includes the recurring subscription-based revenue from both fixed and mobile telephony subscribers as well as the interconnection revenue generated by these customers. Residential telephony revenue for the year ended December 31, 2013 grew € 136.1 million, or 41% compared to the year ended December 31, 2012, to € 469.5 million.

Telenet's residential fixed telephony revenue for the year ended December 31, 2013 remained broadly stable compared to the year ended December 31, 2012 at € 229.1 million. Robust RGU growth and the benefit of the aforementioned 2.9% price increase since early February 2013 were offset by a growing proportion of bundle discounts and lower usage-related revenue following the success of Telenet's "FreePhone Europe" flat-fee rate plans.

The robust postpaid subscriber growth in mobile and Telenet's value-driven strategy have resulted in continued revenue growth of Telenet's mobile telephony business. For the year ended December 31, 2013, residential mobile telephony revenue totaled € 240.4 million, up 127% compared to the year ended December 31, 2012, and including € 71.5 million of interconnection revenue.

2.1.4. Distributors/Other

Distributors/Other revenue primarily includes (i) set-top box sales revenue, (ii) cable television activation and installation fees, and

(iii) third-party sales and stand-alone mobile handset sales. Distributors/Other revenue reached € 61.3 million for the year ended December 31, 2013, marking a 2% decrease as compared to the year ended December 31, 2012. Substantially lower revenue from the sale of set-top boxes and cable television activation and installation fees was only partially offset by strong growth in the sale of stand-alone handsets on which the Company generally earns a low margin.

2.1.5. Business services

Revenue generated by business customers on all coax-related products is allocated to one of the aforementioned revenue lines and is not captured within Telenet for Business, Telenet's business services division. The revenue reported under business services relates to the revenue generated on non-coax products, including fiber and leased DSL lines, Telenet's carrier business, as well as value-added services such as hosting and managed security.

Telenet for Business generated revenue of € 90.8 million for the year ended December 31, 2013, which was € 1.0 million lower compared to the year ended December 31, 2012, due to the negative impact from lower nonrecurring installation and security revenue associated with changes in how Telenet recognizes certain upfront fees.

2.2. Total expenses

For the year ended December 31, 2013, Telenet incurred total operating expenses of € 1,252.1 million, representing an increase of 14% compared to the year ended December 31, 2012 when total operating expenses reached € 1,099.1 million. The increase in operating expenses was driven by higher network operating and service costs, reflecting the growth in Telenet's mobile subscriber base, as well as higher employee benefit expenses and expenses related to share based compensation. Expense growth for the year ended December 31, 2013 was furthermore affected by three nonrecurring items: (i) an impairment charge of € 53.3 million to reduce the carrying amount of the 3G mobile spectrum license to zero following Telenet's assessment that it will not be able to utilize the spectrum rights following the conclusion of negotiations with network operators in Belgium in December 2013 and the absence of regulatory alternatives, (ii) a restructuring charge of € 34.8 million, reflecting Telenet's December 2013 decision to discontinue the provision of DTT (digital terrestrial television) services, and (iii) the benefit from a € 15.7 million reversal of depreciation charges following a settlement on set-top box related import duties. Excluding these nonrecurring elements, total operating expenses for the year ended December 31, 2013 were up 7% compared to the year ended December 31, 2012.

For the year ended December 31, 2013, operating expenses represented approximately 76% of revenue as compared to approximately 74% for the year ended December 31, 2012. Excluding the aforementioned impairment and restructuring charges for the 3G mobile spectrum license and the discontinuation of DTT services, and the benefit from the reversal of set-top box related import duties, operating expenses represented approximately 72% of revenue for the year ended December 31, 2013.

For further information, we refer to the consolidated statement of profit or loss and other comprehensive income of the Company and the related notes to the consolidated financial statements of the Company.

2.2.1. Cost of services provided

Cost of services provided as a percentage of revenue reached approximately 61% for the year ended December 31, 2013 as compared to approximately 57% for the year ended December 31, 2012. Excluding the aforementioned impairment and restructuring charges for the 3G mobile spectrum license and the discontinuation of DTT services and the benefit from the reversal of set-top box related import duties, cost of services provided reached approximately 56% of revenue for the year ended December 31, 2013.

2.2.2. Selling, general and administrative expenses

Selling, general and administrative expenses represented approximately 16% of revenue for the year ended December 31, 2013 as compared to approximately 17% for the year ended December 31, 2012. Higher employee benefit expenses and higher expenses related to share based compensation were more than offset by robust revenue growth, while marketing spend remained broadly flat compared to the year ended December 31, 2012.

2.3. Expenses by nature

Employee benefits totaled € 153.4 million for the year ended December 31, 2013 and were up 7% compared to the year ended December 31, 2012 as a result of the mandatory wage indexation for all employees since early January 2013 and higher staffing levels as a result of overall business growth. Employee benefit expenses for the year ended December 31, 2012, reflected € 4.2 million lower payroll expenses as a result of the partial recovery from the government of withholding taxes for certain employees involved in research projects and the reassessment of certain post-employment benefit obligations due to a change in legislation.

Depreciation, amortization and impairment, including gains and losses on disposal of property and equipment and other intangible assets, showed a 7% increase from € 380.3 million for the year ended December 31, 2012 to € 408.1 million for the year ended December 31, 2013 and reflected the € 53.3 million impairment on the 3G mobile spectrum license and the € 15.7 million favorable impact of the reversal of set-top box related import duties. Excluding these nonrecurring effects, depreciation and amortization charges for the year ended December 31, 2013 would have shown a 3% decrease compared to the year ended December 31, 2012, primarily caused by an extension to the expected useful life of the latest generation of set-top boxes.

Network operating and service costs, which include direct expenses such as costs related to handset sales and subsidies, interconnection, programming, copyrights, call center and network-related expenses, continued to represent the largest portion of Telenet's total operating expenses. For the year ended December 31, 2013, Telenet incurred network operating and service costs of € 519.9 million, up 17% compared to the year ended December 31, 2012. The year-on-year increase in network operating and service costs was predominantly attributable to substantially higher interconnection expenses following the robust increase in both mobile and fixed telephony RGUs and higher content costs and provisions for certain contingencies. Network operating and service costs for the year ended December 31, 2012 enjoyed a € 3.2 million favorable impact from the reassessment of a social tariff obligation and the settlement of certain operational contingencies.

Advertising, sales and marketing expenses remained broadly flat for the year ended December 31, 2013 at € 73.1 million compared to € 74.2 million for the year ended December 31, 2012.

Other costs, which include business-supporting corporate advisory and legal fees, amounted to € 52.3 million for the year ended December 31, 2013, and were up 8% compared to the year ended December 31, 2012.

Restructuring charges for the year ended December 31, 2013 represented € 34.8 million and reflected Telenet's December 2013 decision to discontinue the provision of DTT services. The aforementioned restructuring charge equals the estimated net present value of the remaining payments due under the DTT third-party capacity contract.

For further information, we refer to note 5.19 to the consolidated financial statements of the Company.

2.4. Adjusted ebitda

For the year ended December 31, 2013, Telenet achieved Adjusted EBITDA of € 842.6 million, up 8% compared to the year ended December 31, 2012 when Telenet realized Adjusted EBITDA of € 777.8 million. Despite a growing share of lower-margin mobile revenue in the overall revenue mix, the Adjusted EBITDA margin only slightly retreated from 52.2% for the year ended December 31, 2012 to 51.3% for the year ended December 31, 2013. This solid performance was the combined result of Telenet's continued focus on multiple-play growth and the early benefits from the successful overhaul of its bundles for both the residential and business markets in the second half of 2013. Moreover, Telenet has been focusing on more cost-effective mobile subscriber acquisitions in the second half of 2013 and the Company has kept tight control of its overall overhead expenses as its selling, general and administrative expenses were only up 4% for the year ended December 31, 2013 as compared to 10% top line growth achieved over the same period.

	For the years ended December 31	
(in thousands of euro)	2013	2012
Adjusted EBITDA	**842,580**	**777,813**
Adjusted EBITDA margin	51.3%	52.2%
Share based compensation	(10,547)	(6,943)
Operating charges related to acquisitions or divestitures	-	(888)
Restructuring charges	(34,755)	-
EBITDA	**797,278**	**769,982**
Depreciation, amortization and impairment	(408,118)	(380,298)
Operating profit	**389,160**	**389,684**
Net finance expense	(206,469)	(322,318)
Share of the profit (loss) of equity accounted investees	1	(43)
Income tax expense	(66,328)	(34,046)
Total comprehensive income for the period	**116,364**	**33,277**

2.5. Operating profit

Operating profit for the year ended December 31, 2013 remained broadly unchanged compared to the year ended December 31, 2012 at € 389.2 million. A solid 8% increase in Adjusted EBITDA and a € 15.7 million benefit from the reversal of set-top box related import duties were offset by a € 53.3 million impairment on the 3G mobile spectrum license and a € 34.8 million restructuring charge to reflect Telenet's December 2013 decision to discontinue the provision of DTT services.

2.6. Net finance expenses

For the year ended December 31, 2013, net finance expenses totaled € 206.5 million compared to the € 322.4 million of net finance expenses incurred for the year ended December 31, 2012. A 10% year-on-year increase in interest expenses, foreign exchange loss and other finance expenses as a result of the Company's increased indebtedness and lower returns on its average outstanding cash balance were more than offset by a non-cash gain on interest rate derivatives of € 56.3 million for the year ended December 31, 2013, whereas the year ended December 31, 2012 showed a non-cash loss on derivatives of € 87.0 million.

For further information, we refer to note 5.20 to the consolidated financial statements of the Company.

2.6.1. Interest income and foreign exchange gain

Telenet realized € 2.2 million of interest income and foreign exchange gain for the year ended December 31, 2013, which was down € 4.3 million compared to the year ended December 31, 2012. Relative to the year ended December 31, 2012, Telenet's outstanding cash balance decreased substantially as a result of the payment of the extraordinary dividend in early May 2013. To minimize the concentration of counterparty risk, cash equivalents, certificates of deposit and money market funds are placed with highly rated European and US financial institutions.

2.6.2. Interest expenses, foreign exchange loss and other finance expenses

Interest expenses, foreign exchange loss and other finance expenses reached € 265.0 million for the year ended December 31, 2013, representing an increase of 10% compared to the year ended December 31, 2012. The increase was predominantly attributable to the increased indebtedness following the issuance of € 700.0 million Senior Secured Fixed Rate Notes in August 2012.

2.6.3. Net gains and losses on derivative financial instruments

The Company has entered into various derivative instruments to significantly reduce its exposure to interest rate increases through the maturity date of the 2010 Amended Senior Credit Facility. In 2010 and the second half of 2011, the Company further optimized its portfolio of interest rate hedges to lower the average interest rates and extend the hedges' maturities to cover the entire duration of its floating rate debt instruments up to 2021. The Company's derivatives are spread over different financial institutions and geographies to minimize counterparty risks.

In line with EU IFRS, interest rate derivatives are valued on a mark-to-market basis, i.e. at fair value, and changes in fair value are reflected in the statement of profit or loss and other comprehensive income. These changes in fair value can be volatile and do not have any direct impact on the Company's cash flows until such time as the derivatives are fully or partially settled. For the year ended December 31, 2013, Telenet incurred a gain of € 56.3 million versus a loss of € 87.0 million for the year ended December 31, 2012, related to changes in the fair value of the derivative instruments, primarily because of an upward shift in the euro swap curve.

The mark-to-market valuation of the interest rate derivatives depends on the evolution of the forward EURIBOR rates over the life-time of such an instrument. To the extent the projected interest rates over the respective instruments' lifetime rise (fall), the Company expects the mark-to-market valuation of these instruments to have a positive (negative) impact on its net result.

2.7. Income taxes

Telenet recorded income tax expense of € 66.3 million for the year ended December 31, 2013 compared to income tax expense of € 34.0 million for the year ended December 31, 2012.

For further information, we refer to note 5.21 to the consolidated financial statements of the Company.

2.8. Net income

For the year ended December 31, 2013, Telenet earned net income of € 116.4 million, which was up sharply compared to the € 33.3 million of net income achieved for the year ended December 31, 2012. Excluding the change in the fair value of derivatives in both periods, the nonrecurring benefit from the reversal of set-top box import duties and the negative impact from both the impairment on the 3G mobile spectrum license and the restructuring charge for the discontinuation of DTT services, net income would have been € 132.5 million and € 120.3 million for the year ended December 31, 2013 and the year ended December 31, 2012, respectively.

2.9. Cash flow and liquidity

For further information, we refer to the consolidated statement of cash flows of the Company.

2.9.1. Net cash from operating activities

Telenet's operating activities yielded net cash of € 590.5 million for the year ended December 31, 2013, representing an increase of 4% compared to the year ended December 31, 2012 when net cash from operating activities reached € 570.0 million. A solid 8% increase in the Company's Adjusted EBITDA was partially offset by € 47.4 million higher cash interest expenses following the issuance of € 700.0 million Senior Secured Fixed Rate Notes in August 2012.

2.9.2. Net cash used in investing activities

Telenet used € 363.8 million of net cash in investing activities for the year ended December 31, 2013, up 14% compared to the year ended December 31, 2012. The cash used in investing activities comprised the cash payments for the capital expenditures, including the cash payment of € 35.9 million for the Belgian football broadcasting rights, net of the proceeds received from other operators and broadcasters using a portion of these rights. This amount covered both the remaining leg of the 2012-2013 season as well as the upfront payment for the first leg of the current 2013-2014 season. In early 2014, Telenet has made a final payment of approximately € 10.2 million, net of the proceeds received from other operators and broadcasters using a portion of these rights, to cover the second leg of the current season, which will be the final season under the current contract.

2.9.3. Free Cash Flow

Free Cash Flow for the year ended December 31, 2013 was € 212.4 million, representing a 12% decrease compared to the year ended December 31, 2012. A solid 8% Adjusted EBITDA growth was offset by 25% higher cash interest expenses following the increased debt balance and higher cash capital expenditures. Furthermore, Telenet's Free Cash Flow performance was impacted by a change in its working capital policy, which the Company started implementing in the fourth quarter of 2013.

	For the years ended December 31	
(in thousands of euro)	2013	2012
Net cash from operating activities	590,546	569,983
Purchases of property and equipment	(256,647)	(236,516)
Purchases of intangibles	(110,563)	(84,407)
Principal payments on capital leases (excluding network-related leases assumed in acquisitions)	(4,554)	(4,336)
Principal payments on post acquisition additions to network leases	(6,392)	(4,334)
Free Cash Flow	**212,390**	**240,391**

2.9.4. Net cash from financing activities

Net cash used in financing activities was € 918.9 million for the year ended December 31, 2013 compared to net cash from financing activities of € 308.6 million for the year ended December 31, 2012. The evolution of net cash used in financing activities for the year ended December 31, 2013 primarily reflected: (i) the payment of the extraordinary gross dividend of € 7.90 per share to shareholders in early May 2013 (for an aggregate amount of € 905.2 million), (ii) € 26.9 million of proceeds from the exercise of options and warrants, and (iii) € 40.6 million related to various financial payments and capital lease repayments, including the annual deferred payment for the usage rights of the 3G mobile spectrum license for the year ending December 31, 2014.

2.10. Debt profile, cash balance and net leverage ratio

2.10.1. Debt profile

As of December 31, 2013, Telenet carried a total debt balance (including accrued interest) of € 3,868.3 million, of which € 1,404.6 million principal amount is owed under the 2010 Amended Senior Credit Facility, € 1,300.0 million principal amount is related to the four Notes issued in 2010 and 2011, and € 700.0 million principal amount relates to the Senior Secured Fixed Rate Notes due 2022 and 2024 issued in August 2012. The total debt balance at December 31, 2013 also included € 45.9 million for the outstanding portion of the 3G mobile spectrum including accrued interest. The remainder primarily represents the capital lease obligations associated with the Interkabel Acquisition.

2.10.2. Debt overview and payment schedules

For an overview of the Company's debt instruments and payment schedule at December 31, 2013, we refer to note 5.12.4 to the consolidated financial statements of the Company.

2.10.3. Cash balance and availability of funds

At the end of December 2013, Telenet held € 214.1 million of cash and cash equivalents. The outstanding balance of cash and cash equivalents at December 31, 2013 decreased sharply compared to the € 906.3 million at December 31, 2012. This decline was the result of the aforementioned € 905.2 million extraordinary dividend payment to shareholders in early May 2013. Under the 2010 Amended Senior Credit Facility, the Company has full access to the additional committed Revolving Facility of € 158.0 million, subject to compliance with the covenants mentioned below, with availability up to and including December 31, 2016.

For further information, we refer to note 5.10 to the consolidated financial statements of the Company.

2.10.4. Net leverage ratio

As of December 31, 2013, the outstanding balance of the 2010 Amended Senior Credit Facility and outstanding cash balance resulted in a Net Total Debt to Consolidated Annualized EBITDA ratio of 4.0x compared to 3.4x on December 31, 2012. The calculation of the Consolidated Annualized EBITDA, as mentioned above, excludes the DTT-related restructuring charge of € 34.8 million, which the Company incurred in the fourth quarter of 2013. The increase in the net leverage ratio since December 31, 2012 reflected the payment of the extraordinary dividend to shareholders in early May 2013 for an aggregate amount of € 905.2 million. The current net leverage ratio is significantly below the covenant of 6.0x and the availability test of 5.0x.

2.11. Capital expenditures

Accrued capital expenditures were € 372.3 million for the year ended December 31, 2013, up 5% compared to the year ended December 31, 2012 when Telenet incurred accrued capital expenditures of € 353.2 million. Accrued capital expenditures represented approximately 23% and approximately 24% of revenue for the year ended December 31, 2013 and the year ended December 31, 2012, respectively. Accrued capital expenditures for the year ended December 31, 2013 reflected the extension of the exclusive Premier League football broadcasting rights for three seasons starting August 2013. Under

EU IFRS, these broadcasting rights have been capitalized as intangible assets and will be amortized on a pro-rata basis as the seasons progress. Conversely, accrued capital expenditures for the year ended December 31, 2013 were favorably impacted by a € 16.1 million reversal of set-top box related import duties. Excluding capitalized content rights and the nonrecurring reversal of import duties, accrued capital expenditures for the year ended December 31, 2013 increased 4% compared the year ended December 31, 2012 and represented approximately 22% of revenue.

Set-top box related capital expenditures amounted to € 42.5 million for the year ended December 31, 2013 as compared to € 76.7 million for the year ended December 31, 2012. The 45% decrease compared to the year ended December 31, 2012 reflected a lower level of net digital TV subscribers as the year ended December 31, 2012 was influenced by the analog channel reshuffle program. In addition, Telenet recorded lower set-top box related capital expenditures as a result of the aforementioned reversal of import duties on set-top boxes. Excluding this impact, set-top box related capital expenditures for the year ended December 31, 2013 would have shown a 24% decrease compared to the year ended December 31, 2012 due to a lower net intake of digital TV subscribers. For the year ended December 31, 2013, set-top box related capital expenditures accounted for approximately 16% of total accrued capital expenditures excluding capitalized content rights and the reversal of import duties.

Capital expenditures for customer installations totaled € 81.6 million for the year ended December 31, 2013, or approximately 23% of total accrued capital expenditures excluding capitalized content rights and the reversal of import duties, compared to € 86.6 million for the year ended December 31, 2012. The 6% decline in our customer installations capital expenditures compared to the year ended December 31, 2012 mirrored a lower level of net new subscriber growth for Telenet's advanced fixed services as compared to the year ended December 31, 2012 when Telenet benefited from the analog channel reshuffle program. In addition, Telenet benefited from efficiencies in its customer installation processes as customers increasingly opted for self-installation.

Accrued capital expenditures for network growth and upgrades amounted to € 114.4 million for the year ended December 31, 2013, or approximately 32% of total accrued capital expenditures excluding capitalized content rights and the reversal of import duties, and included investments for Telenet's node splitting project. The remainder of accrued capital expenditures includes refurbishments and replacements of network equipment, sports content acquisition costs, including those related to Premier League football, and recurring investments in IT-platform and systems.

This implies that approximately 71% of accrued capital expenditures, excluding capitalized content rights and the reversal of import duties, for the year ended December 31, 2013 were scalable and subscriber growth related. Telenet will continue to closely monitor its capital expenditures in order to make sure that they drive incremental returns.

3. Risk factors

3.1. General information

The Company conducts its business in a rapidly changing environment that gives rise to numerous risks and uncertainties that it cannot control. Risks and uncertainties that the Company faces include, but are not limited to:

- Telenet's substantial leverage and debt service obligations;
- Telenet's ability to generate sufficient cash to service its debt, to control and finance its capital expenditures and operations;
- Telenet's ability to raise additional financing;
- Risks associated with Telenet's structure, and Telenet's indebtedness;
- Risks of default by the counterparties to the Company's derivative and other financial instruments;
- Telenet's relationship with its shareholders;
- Economic and business conditions and industry trends in which Telenet and the entities in which it has interests, operate;
- The competitive environment in which Telenet, and the entities in which it has interests, operate, including competitor responses to its products and services;
- Changes in, or failure or inability to comply with, government regulations in Belgium and adverse outcomes from regulatory proceedings;
- The application of competition law generally and government intervention that opens Telenet's broadband distribution and television networks to competitors, which may have the effect of reducing Telenet's control over the management of, or the quality of, its network and Telenet's ability to reach the expected returns on investment;
- General adverse regulatory or other developments affecting or restricting the effectiveness and use of Telenet's network or its equipment;
- The outcome of any pending or threatened litigation;
- Fluctuations in currency exchange rates and interest rates;
- Instability in global financial markets, including sovereign debt issues and related fiscal reforms;
- Consumer disposable income and spending levels, including the availability and amount of individual consumer debt;
- Changes in consumer television viewing preferences and habits;
- Consumer acceptance of existing service offerings, including Telenet's analog and digital cable television, broadband internet, fixed telephony, mobile telephony and business service offerings, and of new technology, programming alternatives and other products and services that Telenet may offer in the future;
- Telenet's ability to manage rapid technological changes;
- Telenet's ability to maintain or increase the number of subscriptions to its digital cable television, broadband internet services, fixed-line telephony and mobile services offerings and the average revenue per household;
- Telenet's ability to provide satisfactory customer service, including support for new and evolving products and services;
- Telenet's ability to increase or maintain rates to its subscribers or to pass through increased costs to its subscribers;
- The impact of our future financial performance, or market conditions generally, on the availability, terms and deployment of capital;
- Changes in laws or treaties relating to taxation, or the interpretation thereof, in Belgium;
- Changes in laws and government regulations that may impact the availability and cost of credit and the derivative instruments that hedge certain of Telenet's financial risks;
- The ability of suppliers and vendors to timely deliver quality products, equipment, software and services;
- The availability of attractive programming for Telenet's analog and digital cable television services and the costs associated with such programming, including retransmission and copyright fees payable to public and private broadcasters;
- Uncertainties inherent in the development and integration of new business lines and business strategies;
- Telenet's ability to adequately forecast and plan for future network requirements;
- The availability of capital for the acquisition and/or development of telecommunications networks and services;
- Telenet's ability to successfully integrate and recognize anticipated efficiencies from the businesses it may acquire;
- Leakage of sensitive customer data;
- The loss of key employees and the availability of qualified personnel and Telenet's ability to interact with labor councils and unions;

- Changes in the nature of key strategic relationships with partners and joint ventures; and
- Events that are outside Telenet's control, such as political unrest in international markets, terrorist attacks, malicious human acts, natural disasters, pandemics and other similar events.

For further information about the financial risk factors, we refer to note 5.3 to the consolidated financial statements of the Company.

Additional risks and uncertainties not currently known to the Company or that the Company now deems immaterial may also harm it.

3.2. Legal proceedings

We refer to note 5.24.1 to the consolidated financial statements of the Company.

4. Information about subsequent events

We refer to note 5.27 to the consolidated financial statements of the Company.

5. Information on research and development

Telenet aims to offer its customers new products and services in order to grow its business, develop the Telenet brand and increase customer satisfaction. Telenet generally seeks to adopt new technologies only after appropriate standards have been successfully implemented on a commercial scale. This approach increases the likelihood that the cost of necessary equipment will decline over time and reduces performance, reliability, compatibility and supply risks. To this end, Telenet is focusing on new technologies that improve usage of a coaxial connection rather than a DSL connection, which it leases from the incumbent operator, to potentially lower the fixed cost basis for its business solutions products. Under certain circumstances, Telenet may consider adopting certain additional technologies that have a limited deployment history, to the extent that Telenet is able to do so with an appropriate consideration of the potential risks involved.

Telenet has a track record of successfully growing its customer base and market share and introducing new products and tiered offerings to customers in a competitive environment, with a continued focus on managing costs and increasing free cash flows. Telenet believes that innovation in products and technology is important to retaining its market position. Telenet has a dedicated research and development function, which is engaged in reviewing and testing new products and technologies that it believes will enhance the services it provides to its customers.

6. Use of financial instruments

The Company's activities are exposed to changes in foreign currency exchange rates and interest rates.

The Company seeks to reduce its exposure through the use of certain derivative financial instruments in order to manage its exposure to exchange rate and interest rate fluctuations arising from its operations and funding. The use of derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on the use of derivatives consistent with the Company's risk management strategy.

The Company has entered into various derivative instruments to manage interest rate and foreign currency exchange rates exposure. The Company does not apply hedge accounting to its derivative instruments. Accordingly, changes in the fair values of all other derivative instruments are recognized immediately in the Company's statement of profit or loss and other comprehensive income.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those host contracts and the host contracts are not carried at fair value with unrealized gains or losses reported in the statement of profit or loss and other comprehensive income.

For further information, we refer to note 5.13 to the consolidated financial statements of the Company.

7. Corporate governance statement

Corporate governance can be defined as a framework of rules (laws, institutions and policies) and practices (processes and customs) ensuring the way a company is directed, managed and controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the corporation is governed. The principal stakeholders are the shareholders, the board of directors, management, employees, customers, creditors, suppliers, the government and the community at large.

In this chapter, the board of directors discusses factual information regarding the current corporate governance policy at Telenet and relevant events which took place in 2013.

7.1. Reference Code

The Corporate Governance Charter of the Company has most recently been updated on June 28, 2012, and can be consulted on the investor relations website of the Company (http://investors.telenet.be). In compliance with article 3 of the Law of April 6, 2010 and the Royal Decree of June 6, 2010, the Company has decided to adopt the Belgian Corporate Governance Code 2009 (http://www.corporategovernancecommittee.be) as reference code. Except for a minor deviation in relation to provisions 7.17 and 7.18, the Company is fully compliant with the provisions of the Belgian Corporate Governance Code 2009. The deviations are indicated and explained in the relevant sections of this Statement.

7.2. Regulatory developments and their impact on telenet

In 2011, the Belgian federal regulatory authority ("BIPT") and the regional media regulators, including the *Vlaamse Regulator voor de Media* for Flanders, the *Conseil Supérieur de l'Audiovisuel* for Wallonia, and the *Medienrat* for the German speaking community (collectively with the BIPT, the "Belgium Regulatory Authorities"), decided on new regulation regarding the broadband and broadcasting markets in Belgium, among other things to provide third parties access to the cable network(s). In 2013, the following developments have occurred which have or could have an impact on this regulation (see point a) below). Furthermore, there was a new regulatory initiative (the Flemish Media Decree on signal integrity) (see point b) below).

7.2.1. Regulation by the Belgium Regulatory Authorities

Belgium has broadly transposed the European regulatory framework that deals with communications regulation, consisting of a variety of legal instruments and policies, into law. According to the electronic communications law of June 13, 2005, the Belgian Institute for Postal and Telecommunication Services ("BIPT") should perform the market analysis to determine which, if any, operator or service provider has Significant Market Power ("SMP"). In addition, the Federal Parliament issued legislation to transpose the 2009 revisions to the European regulatory framework, which became effective as of August 4, 2012.

Telenet has been declared an operator with SMP in the market for call termination on an individual fixed public telephone network. As of April 1, 2012, reciprocal termination rates have been imposed, which results in Telenet charging an equivalent interconnection rate as that of the incumbent telecommunications operator, Belgacom.

Although no determination has been made on whether Telenet has Significant Market Power on the market for call termination on individual mobile networks, its rates will be affected by rate limitations implemented by BIPT. In June 2010, the BIPT imposed a steep rate reduction over the next two years resulting in (1) an initial 45% decline effective August 1, 2010, over the then average rate and (2) further declines to a rate in January 2013 that was approximately 79% less than the average rate implemented on August 1, 2010. As of January 1, 2013, mobile termination rates have been set by BIPT at 1.08 euro cents per minute.

In December 2010, the Belgium Regulatory Authorities published their respective draft decisions reflecting the results of their joint analysis of the broadcasting market in Belgium. After a public consultation, the draft decisions were submitted to the European Commission. The European Commission issued a notice on the draft decision that criticized the analysis of the broadcasting markets on several grounds, including the fact that the Belgium Regulatory Authorities failed to analyze upstream wholesale markets. It also expressed doubts as to the necessity and proportionality of the various remedies. The Belgium Regulatory Authorities adopted a final decision on July 1, 2011 (the July 2011 Decision) with some minor revisions. The regulatory obligations imposed by the July 2011 Decision include (i) an obligation to make a resale offer at "retail minus" of the cable analog package available to third party operators (including Belgacom), (ii) an obligation to grant third-party operators (except Belgacom) access to digital television platforms (including the basic digital video package) at "retail minus," and (iii) an obligation to make a resale offer at "retail minus" of broadband internet access available to beneficiaries of the digital television access obligation that wish to offer bundles of digital video and broadband internet services to their customers (except Belgacom).

After Telenet submitted draft reference offers regarding the obligations described above in February 2012, the Belgium Regulatory Authorities made their observations and launched a national consultation process and consulted with the European Commission. Although the European Commission expressed doubts regarding the analog resale offers on August 8, 2013, the European Commission did not object to the decision on the reference offers. The Belgium Regulatory Authorities published their final decision on September 9, 2013. The regulated wholesale services must be available approximately six months after a third-party operator files a letter of intent and pays an advance payment to each cable operator. On December 27, 2013, wireless operator Mobistar submitted a letter of intent and paid the advance payment on January 10, 2014. Accordingly, the reference offers could be operational as soon as the third quarter of 2014.

On April 2, 2013, the Belgium Regulatory Authorities issued a draft decision regarding the "retail-minus" tariffs of minus 35% for basic TV (basic analog and digital video package) and minus 30% for the bundle of basic TV and broadband internet services. A "retail-minus" method of pricing involves a wholesale tariff calculated as the retail price for the offered service by Telenet, excluding value-added taxes and copyrights, and further deducting the retail costs avoided by offering the wholesale service (such as costs for billing, franchise, consumer service, marketing, and sales). On October 4, 2013, the Belgium Regulatory Authorities notified a draft quantitative decision to the European Commission in which they changed the "retail-minus" tariffs to minus 30% for basic TV (basic analog and digital video package) and to minus 23% for the bundle of basic TV and broadband internet services. Even though the European Commission made a number of comments regarding the appropriateness of certain assumptions in the proposed costing methodology, the Belgian Regulatory Authorities adopted such retail-minus tariffs on December 11, 2013.

Telenet filed an appeal against the July 2011 Decision with the Brussels Court of Appeal. On September 4, 2012, the Brussels Court of Appeal rejected Telenet's request to suspend the July 2011 Decision pending the proceedings on the merits. Due to this rejection and the approval of the reference offers by the Belgium Regulatory Authorities, Telenet is now required to begin the process of implementing its reference offers. A final ruling on the merits can be expected during the second or third quarter of 2014. Telenet also filed an appeal with the Brussels Court of Appeal against the decision regarding the qualitative aspects of the reference offer. A decision in this appeal should not be expected before the fourth quarter of 2014. There can be no certainty that Telenet's appeals will be successful.

The July 2011 Decision aims to, and in its application may, strengthen Telenet's competitors by granting them resale access to Telenet's network to offer competing products and services notwithstanding Telenet's substantial historical financial outlays in developing the infrastructure. In addition, any resale access granted to competitors could (i) limit the bandwidth available to Telenet to provide new or expanded products and services to the customers served by its network and (ii) adversely impact Telenet's ability to maintain or increase its revenue and cash flows. The extent of any such adverse impacts ultimately will be dependent on the extent that competitors take advantage of the resale access ultimately afforded to Telenet's network and other competitive factors or market developments.

7.2.2. New rules regarding signal integrity

Legislation has been adopted by the Flemish Parliament on July 19, 2013 imposing on distributors strict integrity of broadcasting signals and the requirement to request authorization from broadcasters when contemplating offering inter alia recording through an electronic program guide and overlay functionalities. This legislation risks having a negative impact on the possibility to launch new innovative applications and may increase the Company's financial contribution to broadcasters. On February 13, 2014 Telenet filed an appeal before the Belgian Constitutional Court against the decree on the ground of its discriminatory application between local and international distributors and hardware manufacturers.

7.3. Capital and shareholders

7.3.1. Capital and securities

The share capital of the Company amounted to € 12,581,931.37 as at December 31, 2013 and was represented by 115,719,152 shares without nominal value. All shares are ordinary shares, listed on NYSE Euronext Brussels, with the exception of 30 Golden Shares and 94,843 Liquidation Dispreference Shares to which certain specific rights or obligations are attached, as described in the articles of association and the Corporate Governance Charter.

On December 27, 2007, the extraordinary shareholders' meeting of the Company approved an employee stock option plan (the "ESOP 2007") whereby 3,300,000 new warrants were issued in view of the granting of these warrants to selected participants under the ESOP 2007. Each warrant gives the right to subscribe to one new share under the conditions set out in the terms and conditions of the ESOP 2007. The board of directors or the Remuneration & Nomination Committee could grant the warrants to selected beneficiaries over a maximum period of 3 years as from the issue date. The warrants vest on a quarterly basis over a period of four years. The Remuneration & Nomination Committee and the board of directors have organized seven grants under the ESOP 2007 during 2008, 2009 and 2010, for an aggregate number of 1,129,100 warrants, 1,484,000 warrants and 189,900 warrants respectively. On December 31, 2013, there were no more warrants outstanding under the ESOP 2007 (primo), ESOP 2007 bis, ESOP 2007 ter and the ESOP 2007 quinquies grants. More details on the outstanding warrants under the ESOP 2007 can be found in note 5.11 to the consolidated financial statements of the Company.

On May 29, 2008, a new employee stock option plan (the "ESOP 2008") was approved, whereby 317,000 new warrants were issued in view of the granting of these warrants to the former CEO of the Company, Mr. Duco Sickinghe. Each warrant gave the right to subscribe to one share under the terms and conditions of the ESOP 2008. The former CEO accepted these 317,000 warrants on May 29, 2008 and an equivalent number of warrants under the ESOP 2007 were cancelled through an extraordinary shareholders' meeting. On December 31, 2013, there were no warrants outstanding under the ESOP 2008. More details on the warrants exercised in 2013 under the ESOP 2008 can be found in note 5.11 to the consolidated financial statements of the Company.

On May 28, 2009, a new employee stock option plan (the "ESOP 2009") was approved, whereby 180,000 new warrants were issued in view of the granting of these warrants to the former CEO of the Company, Mr. Duco Sickinghe. Each warrant gave the right to subscribe to one share under the terms and conditions of the ESOP 2009 and an equivalent number of warrants under the ESOP 2007 were cancelled through an extraordinary shareholders' meeting. The former CEO accepted these 180,000 warrants on June 26, 2009. On December 31, 2013, there were no warrants outstanding under the ESOP 2009. More details on the warrants exercised in 2013 under the ESOP 2009 can be found in note 5.11 to the consolidated financial statements of the Company.

On April 28, 2010, the extraordinary shareholders' meeting approved a new employee stock option plan (the "ESOP 2010") whereby 2,800,000 new warrants were issued in view of the granting of these warrants to selected participants under the ESOP 2010, excluding the CEO of the Company. Each warrant gives the right to subscribe to one new share under the terms and conditions of the ESOP 2010. The board of directors or the Remuneration & Nomination Committee could grant the warrants to selected beneficiaries, over a maximum period of 3 years as from the issue date. The warrants vest on a quarterly basis over a period of four years. The Remuneration & Nomination Committee and the board of directors have organized three grants under the ESOP 2010 during 2010 and 2011, for an aggregate number of 1,057,200 warrants and 147,500 warrants respectively. On April 28, 2013, the remaining 1,595,300 ungranted warrants were forfeited. More details on the outstanding warrants under the ESOP 2010 can be found in note 5.11 to the consolidated financial statements of the Company.

On April 28, 2010, the extraordinary shareholders' meeting also approved certain terms and conditions of a specific stock option plan (the "SSOP 2010-2014"), under which 850,000 stock options were granted to the former CEO of the Company. Each stock option gives the right to acquire one existing share of the Company under the terms and conditions of the SSOP 2010-2014. These stock options vested in four tranches (one each year) subject to the achievement of certain performance criteria. In the framework of the termination arrangements with the former CEO of the Company, the Remuneration and Nomination Committee decided that the fourth tranche of options was subject to an accelerated vesting as of August 31, 2013. All vested stock options under the SSOP 2010-2014 are exercisable during defined exercise periods since January 1, 2014. All stock options under the SSOP 2010-2014 expire on September 4, 2017. More details on the outstanding stock options under the SSOP 2010-2014 can be found in note 5.11 to the consolidated financial statements of the Company.

On April 22, 2013, the board of directors approved a new general stock option plan for employees, for a total number of 1,200,000 stock options on existing shares, under the condition of certain approvals by the general shareholders' meeting of April 24, 2013 (the Employee Stock Option Plan 2013 or ESOP 2013), in view of the granting of these stock options to selected participants under the ESOP 2013. Each stock option gives the right to acquire one existing share of the Company under the terms and conditions of the ESOP 2013. The vesting of these stock options occurs per quarter over a period of 4 years, with a vesting of 10% of the total stock options granted during each of the first 4 quarters and a vesting of 5% of the total stock options granted during each of the 12 following quarters. The board of directors or the Remuneration & Nomination Committee can grant the stock options to selected beneficiaries. On July 4, 2013, the board of directors authorized a first grant under this plan (ESOP 2013 primo) to certain beneficiaries. On October 22, 2013, the board of directors offered a second tranche of options to certain key management personnel (ESOP 2013 bis).

On April 24, 2013, the extraordinary shareholders' meeting also approved certain terms and conditions of a specific stock option plan (the "CEO SOP 2013"), under which 200,000 stock options were granted to the current CEO of the Company on July 4, 2013. The CEO accepted these stock options on October 2, 2013. Each stock option gives the right to acquire one existing share of the Company under the terms and conditions of the CEO SOP 2013. These stock options vest in three tranches (one each year) subject to the achievement of certain performance criteria. All stock options that vest pursuant to the CEO SOP 2013 become exercisable during defined exercise periods as from July 4, 2016. All of the stock options under the CEO SOP 2013 have an expiration date of July 4, 2018. More details on the outstanding stock options under the CEO SOP 2013 can be found in note 5.11 to the consolidated financial statements of the Company and in section 7.7.2.3 b) of this corporate governance statement.

On November 8, 2013 the board of directors granted 185,000 stock options to the CEO of the Company under the specific stock option plan (the "CEO SOP 2014"). The CEO accepted these stock options on February 5, 2014. Each stock option gives the right to acquire one existing share of the Company under the terms and conditions of the CEO SOP 2014. These stock options vest in two tranches (one in 2016 and one in 2017) subject to the achievement of certain performance criteria. All stock options that vest pursuant to the CEO SOP 2014 become exercisable during defined exercise periods following June 26, 2016. All of the stock options under the CEO SOP 2014 have an expiration date of June 26, 2020. More details on the outstanding stock options under the CEO SOP 2014 can be found in note 5.11 to the consolidated financial statements of the Company and in section 7.7.2.3 b) of this corporate governance statement.

In December 2011, the Company granted certain of the members of the Senior Leadership Team (excluding the CEO) a total of 31,914 performance shares (the "2011 Telenet Performance Shares"). These performance shares are contractual rights to receive, subject to certain performance based criteria, existing ordinary shares for free from the Company. The performance target applicable to the 2011 Telenet Performance Shares was the achievement of a compound annual growth rate (CAGR) for operating free cash flow (OFCF), when comparing 2013 OFCF to 2010 OFCF. A performance range of 75% to 150% of the target OFCF CAGR would generally result in award recipients earning 50% to 150% of their 2011 Telenet Performance Shares, subject to reduction or forfeiture based on individual performance and service requirements. The granted 2011 Telenet Performance

Shares will vest on December 6, 2014 if the performance conditions are realized. The 2011 Telenet Performance Shares were amended following the payment of the capital reduction in 2012 and the extraordinary dividend payment in 2013, whereby the number of performance shares was increased by the same factor 0.905523 and 0.811905 respectively as used for the amendment of warrants and stock options. On February 11, 2014, the nomination- and remuneration committee has decided that the performance targets were not realized, so the 2011 Telenet Performance Shares will not vest on December 6, 2014.

On October 24, 2012, Telenet granted certain of its Senior Leadership Team members (excluding the CEO) and one other manager a total of 33,869 performance shares (the "2012 Telenet Performance Shares"). The performance target applicable to the 2012 Telenet Performance Shares is the achievement of a compound annual growth rate (CAGR) for operating free cash flow (OFCF), when comparing 2014 OFCF to 2011 OFCF. A performance range of 75% to 150% of the target OFCF CAGR would generally result in award recipients earning 50% to 150% of their 2012 Telenet Performance Shares, subject to reduction or forfeiture based on individual performance and service requirements. The granted 2012 Telenet Performance Shares will vest on October 24, 2015 if the performance conditions are realized. The 2012 Telenet Performance Shares were amended following the payment of the extraordinary dividend in 2013, whereby the number of performance shares was increased by the same factor 0.811905 as used for the amendment of warrants and stock options.

On October 25, 2013, Telenet granted certain of its Senior Leadership Team members (excluding the CEO) and one other manager a total of 28,949 performance shares (the "2013 Telenet Performance Shares"). The performance target applicable to the 2013 Telenet Performance Shares is the achievement of a compound annual growth rate (CAGR) for Adjusted EBITDA over a period starting as of January 1, 2013 and ending on December 31, 2015. A performance range of 75% to 150% of the target Adjusted EBITDA would generally result in award recipients earning 50% to 150% of their 2013 Telenet Performance Shares, subject to reduction or forfeiture based on individual performance and service requirements. The granted 2013 Telenet Performance Shares will vest on October 25, 2016 if the performance conditions are realized. More details on the outstanding 2013 Telenet Performance Shares can be found in section 7.7.2.4 b) of this corporate governance statement.

7.3.2. Evolution of the share capital of Telenet Group Holding NV

The following capital movements took place in 2013:

- On January 8, 2013, the share capital was increased by € 43,699.36 through the exercise of 324,328 ESOP 2007 warrants and 77,690 ESOP 2010 warrants, creating 402,018 new ordinary shares. An amount of € 4,619,301.08 was recorded as issue premium.
- On April 9, 2013, the share capital was increased by € 111,072.71 through the exercise of 378,631 ESOP 2007 warrants, 462,252 ESOP 2008 warrants and 180,945 ESOP 2010 warrants, creating 1,021,828 new ordinary shares. An amount of € 12,832,849.35 was recorded as issue premium.
- On July 10, 2013, the share capital was increased by € 9,792.35 through the exercise of 62,215 ESOP 2007 warrants and 27,871 ESOP 2010 warrants, creating 90,086 new ordinary shares. An amount of € 1,032,078.42 was recorded as issue premium.
- On October 9, 2013, the share capital was increased by € 11,619.70 through the exercise of 50,361 ESOP 2007 warrants and 56,536 ESOP 2010 warrants, creating 106,897 new ordinary shares. An amount of € 1,422,848.00 was recorded as issue premium.
- On December 20, 2013, the share capital was increased by € 74,979.85 through the exercise of 318,495 ESOP 2007 warrants, 323,286 ESOP 2009 warrants and 48,006 ESOP 2010 warrants, creating 689,787 new ordinary shares, bringing the share capital of the Company to € 12,581,931.37 and the total number of shares to 115,719,152. An amount of € 6,695,304.00 was recorded as issue premium. Furthermore, 1,900 stock options under the ESOP 2013 were exercised, resulting in the delivery of 1,900 own shares of the Company to the beneficiaries on December 20, 2013.

7.3.3. Shareholders

Important movements in shareholdings

Transparency declarations

In the course of 2013, the Company received the following transparency declarations:

- On January 14, 2013, the Company received a transparency declaration from Liberty Global, Inc. (currently Liberty Global plc or "LG"), according to which, on January 8, 2013, LG (via its subsidiary Binan Investments B.V.) held 56,844,400 shares of the Company, representing 49.95% of the total share capital of the Company.
- On February 1, 2013, the Company received a new transparency declaration from LG, according to which, on February 1, 2013, LG (via its subsidiary Binan Investments B.V.) held 66,342,037 shares of the Company, representing 58.29% of the total share capital of the Company, and 3,000 warrants, following the completion of the voluntary and conditional offer by Binan Investments B.V. on all outstanding shares and warrants of the Company that it and its affiliates (including the Company) did not yet own.
- On May 17, 2013 the Company received a transparency declaration from Norges Bank, stating that Norges Bank, as of *May 3, 2013*, holds 1,948,208 shares of the Company, representing 1.73% of the total share capital. In addition, Norges Bank has 3,000,000 shares of the Company on loan, which Norges Bank has the right to recall at any time.
- On May 17, 2013 the Company received a transparency declaration from Norges Bank, stating that Norges Bank, as of May 14, 2013, holds 3,531,612 shares of the Company, representing 3.08% of the total share capital. In addition, Norges Bank has 1,765,475 shares of the Company on loan, which it has the right to recall at any time. If Norges Bank would exercise this right or if the loan would expire, this would bring the total shareholding of Norges Bank to 5,297,087 shares, representing 4.61% of the total share capital of the Company at that time.

On September 18, 2007, the Company received a notification from LGI Ventures B.V. and from other companies acting in concert with LGI Ventures B.V. in accordance with article 74, §7 of the Law of April 1, 2007, on public take-overs, according to which LGI Ventures B.V. declared it held a stake in Telenet Group Holding NV that exceeded 30% of the total share capital. The Company has received annual updates of this notification, including the latest update received on August 27, 2013.

All these declarations can be consulted on the Company's investor relations website: http://investors.telenet.be.

Own shares

On August 9, 2011, the Company announced the initiation of a share repurchase program (the "Share Repurchase Program 2011"). Under this program, the Company could acquire from time to time up to a maximum of 1 million of its outstanding ordinary shares, within a 9-month period from the date of approval of the program by the board of directors. These share repurchases took place under the conditions as approved by the extraordinary general shareholders' meeting of May 28, 2009. Telenet had mandated an intermediary to repurchase Telenet shares on its behalf. All repurchased shares are held by the Company to cover the Company's obligations under existing stock option plans. The dividend rights for these shares have been canceled.

Under this program, the Company disclosed several repurchases, on August 22, 2011, October 3, 2011, October 12, 2011 and December 5, 2011.

Through December 31, 2011, the Company had acquired 220,352 own shares for a total amount of € 5.8 million, representing 0.19% of the total number of outstanding shares. After the delivery of 1,900 own shares by the Company to the beneficiaries following the exercise of stock options under the ESOP 2013 on December 20, 2013, the Company still owned 218,452 own shares. Taking into account a par value of € 0.11 per share on December 31, 2013, this represents an amount of € 24,039.62 in the share capital of the company.

Share Repurchase Program 2013

On February 11, 2013, Telenet announced that the board of directors had approved a share buy-back program of up to € 50.0 million for 2013 (the "Share Repurchase Program 2013"). At the end of 2013, the execution of this program had not yet started and on February 13, 2014, the Company announced the annulment of this program.

Share Repurchase Program 2014

On February 13, 2014, the Company announced the initiation of a new share repurchase program, referred to as the "Share Repurchase Program 2014" as of February 13, 2014. Under this program, the Company can acquire from time to time up to a maximum of 1.1 million of its outstanding ordinary shares, for a maximum consideration of € 50.0 million, within the three months following February 13, 2014. All repurchased shares will be held by the Company to cover the Company's obligations under existing stock option plans.

This Share Repurchase Program 2014 replaced the Share Repurchase Program 2013.

Through March 10, 2014, the Company had acquired 296,598 own shares under the Share Repurchase Program 2014 for a total amount of € 13,300,978, representing 0.26% of the total number of outstanding shares at that moment. Taking into account a par value of € 0.11 per share on December 31, 2013, this represents an amount of € 32,626 in the share capital of the company.

Public takeover bid by Binan Investments B.V.

On September 20, 2012, Binan Investments B.V., a wholly-owned subsidiary of LGI and Telenet's majority shareholder holding 50.04% of the shares at that moment, announced its intention to launch a voluntary and conditional offer in cash pursuant to the Law of April 1, 2007 on public takeover bids and the Royal Decree of April 27, 2007 on public takeover bids (the "Royal Decree on public takeover bids") on all of the shares and other securities of Telenet giving access to voting rights that it did not already own or that were not held by Telenet (the "LGI Offer"). The LGI Offer was based on a price of € 35.00 per ordinary share.

On December 12, 2012, the bid prospectus in this respect was approved by the Belgian Financial Services and Markets Authority (FSMA) and on December 17, 2012, the FSMA approved the Response Memorandum of the board of directors ("*Memorie van Antwoord*"). The acceptance period started on December 18, 2012 and ended on January 11, 2013. On January 18, 2013, Binan Investments B.V. confirmed that the LGI Offer had become final and binding, and that 9,497,637 shares and 3,000 warrants were offered for takeover. Payment and final transfer of the tendered shares and warrants took place on February 1, 2013, bringing the total shareholding of Binan Investments B.V. to 58.29% and its voting power to 58.40%, taking into account the suspension of the voting rights relating to the 220,352 own shares held by the Company that it had previously acquired under the Share Repurchase Program 2011.

Shareholder structure

The shareholder structure of the Company as at December 31, 2013, based on the shareholders' register of the Company, all transparency declarations received by the Company as well as the latest notification of each relevant shareholder as notified to the Financial Services & Markets Authority (FSMA) pursuant to Article 12 of the Royal Decree of April 27, 2007 on public takeover bids in light of the LGI Offer, was as follows:

Shareholders	Outstanding shares	Percentage	Outstanding warrants	Total (fully diluted)	Percentage (fully diluted)
Liberty Global Group (*)	66,342,037	57.33%	3,695	66,345,732	56.71%
Norges Bank	5,297,087	4.58%		5,297,087	4.53%
BNP Paribas Investment Partners SA	3,832,819	3.31%		3,832,819	3.28%
Omega Advisors, Inc	3,805,363	3.29%		3,805,363	3.25%
Employees	22,377	0.02%	1,268,565	1,291,932	1.10%
Own shares	218,452	0.19%		218,452	0.19%
Public (**)	36,201,017	31.28%		36,201,017	30.94%
Total	**115,719,152**	**100.00%**	**1,272,260**	**116,991,412**	**100.00%**

(*) Including 94,827 Liquidation Dispreference Shares.
(**) Including 16 Liquidation Dispreference Shares held by Interkabel Vlaanderen CVBA and 30 golden Shares held by the financing intermunicipalities

Relationship with and between shareholders

The Company is not aware of any agreements between its shareholders.

7.3.4. General meeting of shareholders

According to the Company's articles of association, the annual meeting of shareholders takes place on the last Wednesday of the month of April at 3 p.m. In 2014, this will be on April 30.

The rules governing the convening, admission to meetings, their conduct and the exercise of voting rights, and other details can be found in the articles of association and in the Corporate Governance Charter, which are available on the Company's investor relations website (http://investors.telenet.be).

7.3.5. Consolidated Information related to the elements referred to in article 34 of the Royal Decree of November 14, 2007

Article 34 of the Royal Decree of November 14, 2007 requires that listed companies disclose the relevant elements that may have an impact in the event of a takeover bid. The board of directors hereby gives the following explanations concerning the respective elements to be addressed under these rules:

- A comprehensive overview of the capital structure of the Company can be found in note 5.11 to the consolidated financial statements of the Company.
- Restrictions on the transfer of shares extend only to the 30 Golden Shares. The Company's articles of association provide that the Golden Shares can only be transferred to other partnerships (samenwerkingsverbanden) between municipalities and to municipalities, provinces or other public law entities or private companies that are controlled directly or indirectly by public law entities. The Golden Shares can only be transferred per lot of three Golden Shares.
- Any major shareholdings of third parties that exceed the thresholds laid down by law and by the articles of association of the Company are listed in Section 7.3.3 of this Statement.
- On December 31, 2013, the Company had 94,843 Liquidation Dispreference Shares and 30 Golden Shares outstanding. The Liquidation Dispreference Shares can be converted into ordinary shares on a 1.04 to 1.00 ratio.
- The Golden Shares attribute to the financing intermunicipalities (who hold all 30 Golden Shares) the right to appoint representatives in the regulatory board (regulatoire raad), which supervises the so called "public interest guarantees", and the right to appoint an observer in the board of directors of the Company, as further described in the articles of association and the Corporate Governance Charter of the Company.
- Warrant and share option plans are described in note 5.11 to the consolidated financial statements of the Company. The warrant plans of 2007 and 2010 provide that all outstanding warrants (if granted to selected beneficiaries) would immediately vest upon a change of control over the Company. The SSOP 2010-2014 provides that all options under the plan will immediately vest upon a change of control or a delisting of the Company. The ESOP 2013, CEO SOP 2013 and CEO SOP 2014 provide that all outstanding stock options would immediately vest upon a change of control, a delisting of the Company or the launch of a squeeze-out offer in relation to the shares of the Company. All these provisions have been approved by or will be put for approval to the extraordinary general shareholders' meeting in accordance with article 556 of the Belgian Company Code.

- The Company is not aware of any agreement with any shareholder that may restrict either the transfer of shares or the exercise of voting rights.
- Members of the board of directors are elected or removed by a majority of votes cast at the annual general meeting of shareholders. Any amendment to the articles of association requires the board of directors to propose that the shareholders' meeting passes a resolution to that effect. For amendments to the articles of association, the shareholders' meeting must comply with the quorum and majority requirements laid down in the articles of association and in the Belgian Company Code.
- The board of directors is authorized by the shareholders' meeting of May 28, 2009 to buy back shares of the Company up to the maximum number allowed in accordance with articles 620 and following of the Belgian Company Code, provided that the purchase price per share of the Company may be maximum 20% above, and may not be lower than 20% below, the average closing quotes of the shares of the Company, on a "per share" basis, as traded on NYSE Euronext Brussels (or any other regulated market or trading platform on which the shares of the Company are traded at that time at the Company's initiative) during a period of 30 calendar days prior to the acquisition of the shares by the Company. This authorization is valid for 5 years, i.e. until May 28, 2014.
- Certain provisions of the financing agreements of the Company's subsidiaries would become effective or would be terminated in case of a change of control over the Company (e.g. following a public takeover bid). The relevant provisions have been approved by the extraordinary shareholders' meeting of the relevant subsidiaries of the Company in accordance with article 556 of the Belgian Company Code.
- The Full-MVNO agreement concluded between Telenet NV and Mobistar NV also contains change of control wording. The relevant provisions have been approved by the extraordinary shareholders' meeting in accordance with article 556 of the Belgian Company Code.
- The Performance Share Plan 2011, the Performance Share Plan 2012, the Performance Share Plan 2013 and the Performance Share Plan 2014, all concluded between Telenet NV and certain members of the Senior Leadership Team and one other manager, also contain change of control wording. The relevant provisions have been approved by the extraordinary shareholders' meeting in accordance with article 556 of the Belgian Company Code.
- Otherwise, the Company is not party to any major agreement that would either become effective, be amended and/or be automatically terminated due to any change of control over the Company as a result of a public takeover bid. The Company notes however that certain of its operational agreements contain change of control provisions, giving the contracting party the right, under certain circumstances, to terminate the agreement without damages.
- Other than the provisions relating to warrants and stock options as set out above, the Company has not concluded an agreement with its members of the board of directors or employees, which would allow the disbursement of special severance pay in the case of termination of employment as a result of a public takeover bid.
- During a one-year period since the end of the offer period of the LGI Offer (i.e., January 18, 2013), Binan Investments B.V. and any of its concert parties (including the Company) could not acquire, directly or indirectly, any shares or warrants of the Company at a higher price than the offer price of the LGI Offer, unless an amount corresponding to the price difference was paid to all shareholders that had tendered in the LGI Offer.

7.4. Internal control and risk management systems

7.4.1. General

The Company is exposed to various risks within the context of its normal business activities, which could have a material adverse impact on its business, prospects, results of operations and financial condition. Therefore controlling these risks is very important for the management of the Company. To support its growth and help the management and the Audit Committee to deal with the challenges the Company faces, the Company has set up a risk management and internal control system. The purpose of the internal control and risk management framework is to enable the Company to meet its objectives. The most important components of this system are described in this section.

7.4.2. Components of the internal control and risk management systems

The board of directors has set out the mission, the strategy and the values of the Company (see also section 1 "Information on the Company" to the consolidated financial statements of the Company). At the level of the board of directors and the Audit Committee, the general risk profile of the Company and the risk appetite of the Company are discussed.

The Company's internal audit function is outsourced to an external audit firm, which acts as the "internal auditor" of the Company and its subsidiaries for a period of three years. The internal auditor does not only report issues but also provides the Company with information on the level of effectiveness of controls, formulates recommendations, and triggers the start of action plans for items that require improvement.

The internal control department focuses on internal control over financial reporting, revenue assurance and fraud. Specific teams were set up to oversee, coordinate and facilitate risk management activities within other risk areas (e.g. Health & Safety, Business Continuity and Information Security).

The Audit Committee monitors the effectiveness of the internal control and risk management system of the Company, and reviews it every year. At the end of 2013, the Company started an initiative to implement risk governance and align these activities where appropriate.

LG, of which the Company is an affiliate, is subject to the requirements of the US Sarbanes-Oxley Act of 2002 ("SOX"). The Company has been part of LGI's assessment of internal control over financial reporting ("ICoFR") since 2008, and has not reported any material weaknesses. While the SOX legislation mainly covers risks relevant to financial reporting, the scope for internal audit is broader and also covers other objectives in the "COSO" framework (Committee of Sponsoring Organizations of the Treadway Commission), such as compliance with rules and regulations, efficiency and effectiveness of operations.

Control environment

The internal control environment includes a Dealing Code, a Code of Conduct for the Senior Leadership Team and senior management, a Corporate Governance Charter (available on the investor relations website www.investors.telenet.be), delegation policies, and a selection and performance evaluation system for employees.

Since 2008, a whistleblower procedure is in place. This mechanism allows employees of the Company to raise concerns about possible improprieties in accounting, internal control or audit matters in confidence via a telephone line or a reporting website. The employees can remain anonymous if requested. All complaints received through the telephone line or reporting website are handled by the Company's Compliance Officer and the chairman of the Audit Committee. At the end of 2012, a Vendor Disclosure form was introduced to ensure vendors comply with the Telenet Code of Conduct (e.g. disclosure of conflicts of interest) and the Telenet Anti-Corruption policy. This Anti-Corruption policy is also communicated to all employees and published on the intranet.

The accounting principles used by the Company, and each change thereof, are presented to the Audit Committee and approved by the board of directors.

Risk Assessment

As part of LGI's compliance with the SOX legislation, LGI reviews their scoping for ICoFR purposes, at various stages throughout the year to determine whether additional risks or controls at the Company need to be evaluated and assessed. In addition, for every change in products, services, processes and systems, the impact on management's broader control framework is formally assessed by the Company and appropriate action is taken.

In December 2011, the Company's internal auditor has reviewed the risk management maturity for all risk areas and the implementation of the risk framework. The findings and proposed action plans were presented to the Audit Committee and the board of directors, which has decided to implement the proposed action plans in order to further optimize (the maturity of) the company's control framework.

In the beginning of 2012 and at the end of 2013, the Company has executed a bottom-up risk assessment to make sure the Senior Leadership Team has an overview of all risks faced by their senior management. In addition, a detailed risk assessment exercise is performed every year in the Regulatory and Interconnection area and action plans are defined to properly mitigate the identified risks.

In the area of Revenue Assurance, a structured risk management approach was set up based upon a formal risk assessment. This approach allows the Company to prioritize the in-depth review of risk areas and properly document objectives, risks and controls.

Control activities

LGI established a framework for evaluating and assessing ICoFR, incorporating entity level, transaction and process level components of the COSO-model as well as relevant information technology components. The Company has aligned its internal control over financial reporting with this model.

Controls over financial reporting are formally documented in a Governance, Risk and Compliance tool. The Company has implemented a tool called TRACE ("Track and Assure Control Execution") that provides the control owners with information on all financial reporting controls and related tasks, driving timely control execution by using workflow mechanisms.

The Company has set up a centrally managed risk management tool to support formal documentation and information sharing on objectives, risks and controls related to Revenue Assurance and Fraud.

For other risk areas, each department has worked out specific control procedures covering the risks in their area. In 2012 e.g., the Company has implemented TIM ("Telenet Identity Management") to support user management and automate access request management and periodic access rights certification for key applications. An ISMS ("Information Security Management System") was implemented to support the risk management activities related to information security.

Information and communication

The Company has implemented a data warehouse and reporting platform, collecting all types of relevant transactional data. Based on this information, the Company's business intelligence competence centre provides the Senior Leadership Team with periodic and ad hoc operational and management reporting.

The Company maintains a central repository with all internal control issues and related actions plans to ensure proper resolution. In addition, all issues and actions are made available on a secured Sharepoint site and action plan owners provide management with a monthly status update.

The result of every audit or internal control review and the progress follow up thereof is reported to the Senior Leadership Team and the Audit Committee using a comprehensive scorecard.

On a quarterly basis, the internal control department reports to the Senior Leadership Team and the Audit Committee on the completeness and timeliness of the resolution of all outstanding issues.

Monitoring

A formal monitoring process is in place for internal control over financial reporting: a quarterly management self-assessment on design and control effectiveness, a quarterly self-assessment validation by the internal control department and annually a direct testing cycle by LGI Internal Audit and Group Compliance.

For some specific risk areas (e.g. Revenue Assurance) second line monitoring is put in place. In addition, a formal risk and control management self assessment approach was implemented in 2012.

In addition, a risk-based audit plan focusing on all risk areas is proposed every year by the internal auditor and, after approval by the Audit Committee, executed. This internal audit plan is established on the basis of a survey with all members of the Senior Leadership Team as well as on items raised by the Audit Committee, the board of directors or the internal auditor itself.

Assurance

Although the above measures are designed to limit the risks inherent to the company's business and operations to the maximum extent, the determination of the risk framework and the set-up of the control systems provide reasonable but not absolute certainty that none of these risks will effectively materialize.

7.4.3. Most important risks

For a description of the main risks to which the Company is exposed, please see [section 3 "Risk factors"] to the consolidated financial statements of the Company.

For an overview of the most important financial risks to which the Company is exposed and the way the Company is dealing with these risks, please see note 5.3 Risk management to the consolidated financial statements.

7.5. Board of Directors

7.5.1. Composition

a. General

On December 31, 2013, the board of directors of the Company was composed of 11 members. With the exception of the Managing Director (CEO), all directors are non-executive directors.

There are currently four independent directors within the meaning of article 526ter of the Belgian Company Code, the Belgian Corporate Governance Code and the articles of association of the Company: Mr. Frank Donck, Mr. Alex Brabers, De Wilde J. Management BVBA (with as permanent representative Mr. Julien De Wilde) and Cytindus NV (with as permanent representative Mr. Michel Delloye).

These directors (as well as their permanent representatives) are considered independent directors since they all fulfill the independence criteria set out in the articles of association of the Company and in article 526ter of the Belgian Company Code.

On March 5, 2013, the Company announced that the board of directors has accepted the resignation of Mr. Duco Sickinghe as CEO and Managing Director of the Company, effective as of March 31, 2013. On the same date, the Company announced the appointment of Mr. John Porter as new CEO of the Company per April 1, 2013.

As of April 24, 2013, Mr. Friso van Oranje-Nassau, Mr. Duco Sickinghe and Mr. Jim Ryan have resigned as director of the Company. At the same date, Mr. John Porter has been appointed as director of the Company.

As of December 19, 2013, Mrs. Ruth Pirie has resigned as director of the Company. The board of directors has co-opted, upon nomination of the majority shareholder, Mr. Jim Ryan to replace her in the board of directors until the next general shareholders' meeting. The mandates of Mr. Charles Bracken and Mrs. Angela McMullen expire at the annual shareholders' meeting of 2016. All other director mandates of Telenet Group Holding NV expire at the annual shareholders' meeting of 2015, except for the mandates of Mr. Frank Donck, Mr. Alex Brabers, and De Wilde J. Management BVBA (with as permanent representative Mr. Julien De Wilde), which expire at the annual shareholders' meeting of 2014 and the mandate of Mr. John Porter which expires at the annual shareholders' meeting of 2017. Mr. Frank Donck, Mr. Alex Brabers and De Wilde J. Management BVBA (with as permanent representative Mr. Julien De Wilde) cannot be reappointed as independent directors of the Company because they have either served already three (3) terms as independent director of the Company and/or they have been a director of the Company for 12 years or more.

Upon advice of the Remuneration & Nomination Committee, the board of directors will put the following proposals for approval to the general shareholders' meeting:

- the nomination of Mr. Jim Ryan as director of the Company, upon nomination of the majority shareholder;
- the nomination of Mr. Bert De Graeve and SDS Invest NV (with as permanent representative Mr. Stéfan Descheemaeker) as new independent directors of the Company.

As of the general shareholders' meeting of April 25, 2012, Mr. André Sarens is appointed as "observer" to the board of directors.

The directors are appointed for a period of maximum four years. In principle, the mandate of the directors terminates at the date of the annual general shareholders' meeting at which their mandate expires. The directors can be re-appointed.

The general shareholders' meeting can dismiss directors at any time.

If a mandate of a director becomes vacant, the board of directors can fill the vacancy, subject to compliance with the rules of nomination. At the next general shareholders' meeting, the shareholders shall resolve on the definitive appointment, in principle for the remaining term of the mandate of the director who is being replaced.

Except for exceptional, motivated cases, the mandate of directors shall terminate at the first annual shareholders' meeting after they have reached the age of 70.

On December 31, 2013, the board of directors of the Company was composed as follows:

Name	Function	Nominated by
Frank Donck	Managing Director 3D NV	Independent director - CM*
Alex Brabers	Chief Business Operations, GIMV	Independent director
Michel Delloye (Cytindus NV)	Director of companies	Independent director
Julien De Wilde (De Wilde J. Management BVBA)	Director of companies	Independent director
John Porter	Chief Executive Officer & Managing Director Telenet	
Charles H. Bracken	Executive Vice President & Co-Chief Financial Officer (Principal Financial Officer) of Liberty Global	Liberty Global Group
Diederik Karsten	Executive Vice President, European Broadband Operations of Liberty Global	Liberty Global Group
Balan Nair	Executive Vice President & Chief Technology Officer of Liberty Global	Liberty Global Group
Manuel Kohnstamm	Senior Vice President & Chief Policy Officer of Liberty Global	Liberty Global Group
Jim Ryan	Senior Vice President & Chief Strategy Officer of Liberty Global	Liberty Global Group
Angela McMullen	Managing Director Operations of Liberty Global Content Investments	Liberty Global Group

* CM: Chairman

Mr. Dieter Nieuwdorp, VP Corporate Counsel & Insurance of Telenet, acts as secretary of the board of directors and its committees.

b. Diversity

The Company strives for diversity within the board of directors, creating a mixed balance between executive directors, non-executive directors and independent directors, their diverse competences and experience, their ages and nationality and their specific knowledge of the telecommunications and media sector.

The board of directors currently contains 1 female member (Mrs. Angela McMullen). Telenet expects to have a composition of the board of directors whereby at least one third of its board members is of the opposite gender as the other members by the end of 2016 at the latest. The Remuneration & Nomination Committee evaluates the composition of the board of directors each year and formulates suggestions to the board of directors, among other things, taking into account the gender composition.

c. Biographies of directors

The following paragraphs set out the biographical information of the current members of the board of directors of the Company as well as of the candidate-members proposed for appointment by the board of directors to the general shareholders' meeting, including information on other director mandates held by these members.

Frank Donck, chairman of the board of directors and independent director (°1965)

Frank Donck has served as a director of the Company since August 2002 and as chairman of the board of directors since December 2004. Mr. Donck is a director of several other companies, the majority of which are privately held. His principal directorship is at 3D NV, where he has served as Managing Director since 1992. He also serves as chairman of the board of directors of Atenor Group NV and as a member of the boards of directors of KBC Group NV and Greenyard Foods NV (previously PinguinLutosa NV), among other companies. Mr. Donck attended the University of Ghent where he obtained a Master's degree in Law and the Vlerick School for Management, University of Ghent where he obtained a Master's degree in Finance. He also earned a Special License in Financial Management at the Vlerick Leuven Gent Management School. Mr. Donck is also a member of the Belgium's Corporate Governance Commission.

John Porter, Chief Executive Officer and Managing director (°1957)

For the biography of Mr. Porter, we refer to section 7.6 c) of this Statement.

Alex Brabers, independent director (°1965)

Alex Brabers has served as a director of the Company since 2002. Mr. Brabers is currently Chief Business Operations at GIMV, a Belgian based investment company partly owned by the Flemish government. Mr. Brabers joined GIMV as Investment Manager in 1990. At GIMV, Mr. Brabers has been responsible for international venture capital investments in the field of information and communications technology. He is now responsible for the full investment activity of GIMV. He holds positions in the boards of directors at several companies in which GIMV has invested, including INSIDE Secure, Nomadesk, OTN Systems, Oree and Punch Powertrain. He holds a degree in Economics from Katholieke Universiteit Leuven (Belgium).

Charles Bracken, director (°1966)

Charles Bracken has served as a director of the Company since July 2005. Mr. Bracken is Executive Vice President and Co-Chief Financial Officer of LGI, positions he has held since January 2012 and June 2005, respectively, with responsibility for Group Treasury, Tax and Financial Planning as well as Strategy and Corporate Development. Previously, he was Senior Vice President from April 2005 to January 2012. In addition, Mr. Bracken serves as a member of the board of management of Liberty Global Europe Holding BV and as an officer and/or director of various European and U.S. based subsidiaries of LGI. Mr. Bracken is a graduate of Cambridge University.

Diederik Karsten, director (°1956)

Diederik Karsten has served as a director of the Company since May 2007. Mr. Karsten became Managing Director European Broadband Operations of UPC Broadband division, the largest division of Liberty Global, on January 1, 2011, and was named Executive Vice President, European Broadband Operations of Liberty Global in January 2012. Previously Mr. Karsten served as Managing Director of UPC Nederland BV, a subsidiary of LGI and part of its UPC Broadband division. Mr. Karsten holds a degree in business economics from Erasmus Universiteit Rotterdam, with specializations in Marketing and Accountancy.

Manuel Kohnstamm, director (°1962)

Manuel Kohnstamm has served as a director of the Company since May 2007. Mr. Kohnstamm has been with Liberty Global Europe Holding BV and its predecessors since 1999 and has held positions in corporate affairs, public policy and communications. Currently, he is Senior Vice President and Chief Policy Officer, responsible for developing and implementing Liberty Global's regulatory strategy, public policy and government affairs. He is member of the board of directors of VECAI, the Dutch Association of Cable Operators, European Cable Communications Association and International Communications Round Table. He also serves as chairman of Cable Europe. Mr. Kohnstamm holds a doctorandus degree in international and European law of the University of Amsterdam and a postgraduate degree in international relations from the Clingendael Diplomat School in The Hague. He also completed the Cable Executive Management program at Harvard Business School, Boston, MA.

Jim Ryan, director (°1965)

Jim Ryan has served as a director of the Company from May 2007 until April 2013, and currently he replaces Mrs. Pirie as of December 20, 2013 until the next general shareholders' meeting. Mr. Ryan has been with Liberty Global Europe Holding BV and its predecessors since 2000 as Managing Director of Strategy and Corporate Development, a position he has held until December 2011. Since January 2012, he is Senior Vice President & Chief Strategy Officer and is responsible for the global strategy and strategic planning across all regions of Liberty Global's operations. He holds a degree in Politics, Philosophy and economics from St. John's College, Oxford University.

Balan Nair, director (°1966)

Balan Nair has served as a director of the Company since April 2011. Mr. Nair is Executive Vice President and the Chief Technology Officer of Liberty Global, positions he has held since January 2012 and July 2007, respectively. Before being named an Executive Vice President, Mr. Nair was Senior Vice President from July 2007 to January 2012. Prior to joining Liberty Global, Mr. Nair served as Chief Technology Officer and Executive Vice President for AOL LLC, a global web services company, from 2006. Prior to his role at AOL LLC, Mr. Nair spent more than five years at Qwest Communications International Inc., most recently as Chief Information Officer and Chief Technology Officer. Mr. Nair is a director of ADTRAN Inc. and Charter Communications Inc., both US public companies and of Austar United Communications Limited. He serves as a Director of Northern Virginia Technology Council and also on the Governor's Council on IT in Healthcare for the Commonwealth of Virginia. He holds a patent in systems development and is a Licensed Professional Engineer in Colorado. Mr. Nair holds a Masters of Business Administration and a Bachelor of Science in electrical engineering, both from Iowa State University.

Angela McMullen, director (°1967)

Angela McMullen has served as a director of the Company since April 2012. Mrs. McMullen has been with Chellomedia since 2001. She is responsible for all aspects of financial reporting, performance measurement, governance and compliance. Prior to joining Chellomedia, Liberty Global's content and services division, Mrs. McMullen was with the Walt Disney Company for eight years where she was SVP of Finance for Walt Disney International - UK and prior to that she had the role of VP European Finance for the Buena Vista Home Entertainment division. Mrs. McMullen has a BA in Economics and is a member of the Institute of Chartered Accountants in England & Wales. Mrs. McMullen is a non executive director for DFID (UK Department for International Development), where she sits on the Investment Committee.

Julien De Wilde, independent director (representing De Wilde J. Management BVBA) (°1944)

Julien De Wilde has served as an independent director of the Company since May 2004. In 2007, he resigned and was replaced by De Wilde J. Management BVBA, for which he serves as permanent representative. His experience includes 13 years at Alcatel where he served as President and Chief Executive Officer of Alcatel Bell, and as a member of its Management Committee. Mr. De Wilde has also served as Executive Vice President of Alcatel Europe, Middle East, Africa and India and as a member of the worldwide Alcatel Executive Committee. Prior to joining Alcatel, Mr. De Wilde held several senior posts at Texaco Belgium and on the European management board of Texaco Europe. From 2002 until 2006, Mr. De Wilde was also Managing Director of Bekaert NV, where he also served as director until May 2009. Currently he serves as chairman of the boards of directors at Nyrstar NV and Agfa Gevaert Group. He also holds directorships at KBC Bank NV and Arseus NV, among other companies.

Michel Delloye, independent director (representing Cytindus NV) (°1956)

Michel Delloye is the permanent representative of Cytindus NV, a company that has served as an independent director of the Company since April 2012. Previously, Mr. Delloye was the permanent representative of Cytifinance NV, which served as independent director of the Company from May 2003 until April 2012. From 1998 to 1999, Mr. Delloye was Chief Executive Officer of Central European Media Enterprises, and from 1992 to 1996 he served as Chief Executive Officer of RTL Group, the European television and radio broadcaster. From 1984 to 1992, Mr. Delloye held numerous positions in both Belgium and the United States at Group Brussels Lambert, serving as General Manager prior to his departure. Mr. Delloye was chairman of the board of directors at EVS Broadcast Equipment NV until May 18, 2010. He is chairman of the board of directors of Vandemoortele NV and the parent company of Truvo Belgium and also serves on the boards of directors of, among other companies, Brederode NV and Matexi Group NV. Mr. Delloye obtained a law degree from the Université Catholique de Louvain.

Bert De Graeve, candidate independent director (representing IDw Consult BVBA) (°1955)

Bert De Graeve is nominated by the Remuneration and Nomination Committee and the board of directors to be appointed as independent director of the Company as of the annual general shareholders' meeting of April 2014. From 1982 to 1991, Mr. De Graeve held various financial responsibilities at international level within Alcatel-Bell. From 1991 to 1996, he led Shanghai Bell Telephone Equipment Manufacturing Company, a Chinese joint-venture of Alcatel Bell, followed by a job as Director International Affairs at the headquarters of Alcatel in Paris. In 1996, Mr. De Graeve became CEO of the BRTN (currently VRT), the Flemish public broadcasting company, which he managed to reorganize into a modern and innovative state-owned company. In 2002, Mr. De Graeve joined the Bekaert Group as Chief Financial and Administration Officer and General Secretary. He was appointed CEO in 2006, succeeding Mr. Julien De Wilde. As of May 2014, he will become Chairman of Bekaert. He also serves on the board of directors of, among other companies, UCB and was director of Guberna until 2010. Mr. De Graeve holds a law degree from the University of Ghent, a postgraduate degree in Financial Management, IPO at the University of Antwerp Management School and a Master in Tax Management at the Vlekho in Brussels. The board of directors believes that the telecom and media expertise, the financial background and the leadership skills of Mr. Bert De Graeve can be of great value for the Company.

Stéfan Descheemaeker, candidate independent director (representing SDS Invest NV) (°1960)

Stéfan Descheemaeker is nominated by the Remuneration and Nomination Committee and the board of directors to be appointed as independent director of the Company as of the annual general shareholders' meeting of April 2014. After 10 years in investment management, Mr. Descheemaeker joined Interbrew (currently AB Inbev) in 1996. He has held several senior management positions within AB Inbev, including Executive Vice President of Strategy and External Growth and Zone President for several key regions. Mr. Descheemaeker is currently a Non-Executive Director on the Board of AB InBev. In 2009, Mr. Descheemaeker joined the Delhaize Group as Executive Vice President and Chief Financial Officer and was appointed to the new position of CEO of Delhaize Europe in 2011. He has left the Delhaize Group in 2013. Mr. Descheemaeker is also the Chairman of EPS, a Luxembourg holding company. He holds a Master in Commercial Engineering from Solvay Business School in Brussels. The board of directors believes that the high experience of Mr. Descheemaeker in finance matters (corporate finance in particular) and his vast experience in major international beverage and retail companies at the highest levels in the fields of business development, finance and management, can bring substantial added value to the Company's board of directors.

André Sarens, observer (°1952)

André Sarens has served as a director of the Company since December 2003. Since April 2012, he has been appointed as observer to the board of directors. Mr. Sarens is currently Grid Participations Manager at Electrabel, having previously held numerous senior finance and administration positions related to Electrabel's utility service distribution activities in Belgium. In these capacities, he has represented Electrabel and the mixed intermunicipalities in their business dealings with Telenet NV from 1999. Mr. Sarens serves on the boards of directors of several of the mixed intermunicipalities in Belgium, and of Electrabel Green Projects Flanders.

7.5.2. Functioning of the board of directors

The board of directors determines the values and strategy of the Company, supervises and monitors the organization and execution thereof, decides on the risk profile and key policies of the Company, decides on the executive management structure and determines the powers and duties entrusted to the executive management.

The board of directors convenes as often as the interest of the Company requires and in any case at least four times a year. The functioning of the board of directors is regulated by the articles of association and the provisions of the Corporate Governance Charter.

The board of directors has installed a number of committees to assist the board with the analysis of specific issues. These committees advise the board on the relevant topics, but the decision power remains with the board of directors as a whole.

In 2013, there were six scheduled board of directors meetings and three non-scheduled board of directors meetings. Four meetings were held by conference call.

In principle, the decisions are taken by a simple majority of votes. The board of directors strives to take the resolutions by consensus.

In accordance with the Corporate Governance Charter the directors are deemed to avoid, to the extent possible, to perform any actions, to defend certain positions, and to pursue certain interests, if this would conflict, or would give the impression to conflict, with the interests of Telenet. If such conflicts of interest would occur, the director concerned shall immediately inform the chairman hereof. The directors shall then comply with the applicable legal provisions of the Belgian Company Code and, in particular, to the extent legally required, abstain from deliberation and voting on the transaction in which the conflict situation arises. The director shall inform the statutory auditor in writing about the conflict of interest. The minutes shall contain the required information and an excerpt shall be published in the annual report. In 2013, article 523 of the Belgian Company Code was applied once. More information can be found in section 7.5.6 of this Corporate Governance Statement.

In accordance with the Corporate Governance Charter, transactions and/or business relationships between directors and one or more companies of the Telenet Group, which do not strictly fall under the application of article 523 of the Belgian Company Code, should always take place at normal market conditions. The director concerned informs the chairman of the board of directors in advance about such transactions.

7.5.3. Evaluation of the board of directors

Every two years, the board of directors assesses its functioning and its relation with the Company's executive management. The evaluation exercise is usually performed by means of a questionnaire, to be filled out by all board members. The completed questionnaires are collected by the Company's corporate secretary, and the results thereof are presented to the Remuneration & Nomination Committee and the board of directors. Appropriate action is taken on those items that require improvement. The last evaluation took place in February 2014, among others in view of the expiration of the mandates of several independent directors and the nomination of new independent directors. Once a year, the non-executive directors make an evaluation of their interaction with the executive management, whereby they meet in the absence of the executive director and the management of the Company.

The Remuneration & Nomination Committee regularly reviews the composition, the size and the functioning of the board of directors of the Company, its main subsidiaries and the different committees within the board of directors. The latest assessment, which took place in 2013, took into account different elements, amongst others the composition and functioning of the board of directors and its committees, the thoroughness with which material subjects and decisions are prepared and discussed, the actual contribution of each director in terms of presence at board and/or committee meetings and the constructive involvement in the deliberation and resolutions, the evaluation whether the effective composition corresponds with the desirable or ideal composition, the application of the corporate governance rules within the Company and its bodies, and an evaluation of the specific roles such as chairman of the board and chairman or member of a board committee. As a result thereof, and in order to increase the efficiency of the board meetings, the board composition was changed in 2011, by reducing the size of the board and the appointment of additional independent directors. In 2012 and 2013, the board size was further reduced.

Given the increasing impact and importance of corporate social responsibility and sustainability on Telenet's business, the board of directors has decided in 2013 that the design, implementation and monitoring of Telenet's sustainability program (known as the "LEAP program") will be discussed and approved at full board level. The board of directors also formally reviews and approves the Company's sustainability report and ensures that all material aspects are covered.

7.5.4. Board Committees

In accordance with the relevant legal requirements, the board of directors has established an Audit Committee and a Remuneration & Nomination Committee.

Given the increasing impact and importance of corporate social responsibility and sustainability on Telenet's business, the board of directors has decided in 2013 that the design, implementation and monitoring of Telenet's sustainability program (known as the "LEAP program") will be discussed and approved at full board level, and no longer in the Strategy & Sustainability Committee, which has been abolished. The board of directors also formally reviews and approves the Company's sustainability report and ensures that all material aspects are covered.

On December 31, 2013, the different board committees were composed as follows:

Name	Audit Committee	Remuneration & Nomination Committee
Frank Donck		CM*
Alex Brabers	CM*	
Charles H. Bracken		•
Angela McMullen	•	
Michel Delloye (Cytindus NV)	•	
Julien De Wilde (De Wilde J. Management BVBA)		•

CM: Chairman

The Audit Committee

The principal tasks of the Audit Committee include regularly convening to assist and advise the board of directors with respect to the monitoring of the financial reporting by the Company and its subsidiaries, the monitoring of the effectiveness of the systems for internal control and risk management of the Company, monitoring of the internal audit and its effectiveness, monitoring of the statutory audit of the annual accounts and the consolidated accounts including follow-up on questions and recommendations of the statutory auditor and assessment and monitoring of the independent character of the statutory auditor, taking into account the delivering of additional services to the Company. The Audit Committee also meets at least once a year with the external auditor without the presence of the executive management.

Since the general shareholders' meeting of April 24, 2013, the Audit Committee is composed of three members, including two independent directors of the Company, of whom one is the chairman. All members are non-executive directors. One director is appointed upon nomination of LG. Michel Delloye (representing Cytindus NV) serves as independent director on the Audit Committee and has a broad experience in accounting, auditing and financial matters. Before joining the board of directors of the Company, he was CFO and General Manager of Groupe Bruxelles Lambert (GBL) in Brussels, CEO of GBL's US affiliate in New York, Compagnie Luxembourgeoise de Télédiffusion (CLT-UFA, now RTL Group) in Luxembourg and CEO of Central European Media Enterprises. He also runs his own investment company and sits on the board of directors of various companies, including Vandemoortele NV, Brederode NV and Matexi Group NV. In addition, all other members contribute broad experience and skills regarding financial items, which have a positive impact on the committee's operation. This composition conforms to article 526bis §1 of the Belgian Company Code regarding the composition of Audit Committees within listed companies, as introduced in December 2008, and the Corporate Governance Code 2009. The meetings of the Audit Committee are also attended by Mr. André Sarens in his capacity of observer to the board of directors.

In 2013, the Committee convened five times, to review and discuss the quarterly, semi-annual and annual financial statements each before submission to the board of directors and, subsequently, publication. In addition, the Committee convened two times in 2013 to address specific items occurring during the year or brought up by the statutory auditor (e.g. the preliminary publication of the FY 2013 full year results and an intragroup restructuring). At all of these meetings, the external and internal auditors were invited in order to discuss matters relating to internal control, risk management and any issues arisen from the audit process. The Committee further discussed and advised the board of directors about procedures for and monitoring of financial reporting to its majority shareholder Liberty Global and about the implementation of procedures aimed at complying with requirements of the US Sarbanes-Oxley Act. The Audit Committee, together with the internal audit function (which is partially outsourced, see under "Internal Audit"), also monitored and discussed the functioning and efficiency of the internal audit processes and management's responsiveness to the Audit Committee's findings and recommendations and to the recommendations made by the external auditor.

The Company has established a whistleblowing procedure, which has been reviewed by the Audit Committee and approved by the board of directors. The Company implemented the whistleblowing procedure in December 2008. This policy allows employees of the Company to raise concerns about possible improprieties in accounting, internal control or audit matters in confidence via a telephone line or a reporting website. The employees can remain anonymous if requested. Complaints received through the telephone line or reporting website are handled by the Company's compliance officer and the chairman of the Audit Committee.

The chairman of the Audit Committee reports on the matters discussed in the Audit Committee to the board of directors after each meeting and presents the recommendations of the Audit Committee to the board of directors for decision-making.

The Remuneration & Nomination Committee

The principal tasks of the Remuneration & Nomination Committee include formulating proposals to the board of directors with respect to the remuneration policy of non-executive directors and executive management (and the resulting proposals to be presented by the board of directors to the shareholders), the individual remuneration and severance pay of directors and executive management, including variable remuneration and long term performance bonuses, whether or not related to shares, in the form of stock options or other financial instruments (and the resulting proposals to be presented by the board of directors to the shareholders where applicable), the hiring and retention policy, the nomination of the CEO, assisting the CEO with the appointment and succession planning of executive management, the preparation of the remuneration report to be included in the corporate governance statement by the board of directors and the presentation of this remuneration report to the annual general shareholders' meeting.

Furthermore, the Remuneration & Nomination Committee's tasks include designing an objective and professional (re-) appointment procedure for directors, the periodic evaluation of the scope and composition of the board of directors, searching for potential directors and submitting their applications to the board of directors and making recommendations with respect to candidate-directors.

The Committee is composed exclusively of non-executive directors and has three members. Two members are independent directors of the Company. The chairman of the board of directors also serves as chairman of the Remuneration & Nomination Committee. The members of the Committee have ample experience in remuneration matters, amongst other things because they have taken up senior executive roles in large companies in other stages of their careers.

The members of the Remuneration & Nomination Committee as of the date hereof were: Mr. Frank Donck, chairman; Mr. Charles Bracken, and Mr. Julien De Wilde (as permanent representative of De Wilde J. Management BVBA).

In 2013, the Remuneration & Nomination Committee met six times in the presence of the CEO (except for matters where the CEO was conflicted). Among other matters, the Committee addressed the evaluation of the functioning of the board of directors and its relation with the Senior Leadership Team, the termination arrangements with the former CEO and the appointment of the new CEO and the determination of his remuneration package, the search for new independent directors, evaluation of the candidate(s) and the proposed remuneration, the composition of the different board committees, the granting of stock options to the CEO, and the granting of stock options and performance shares to the Senior Leadership Team.

The chairman of the Remuneration & Nomination Committee reports on the matters discussed in the Committee to the board of directors after each meeting and presents the recommendations of the Remuneration & Nomination Committee to the board of directors for decision-making.

7.5.5. Attendance

Please find below the attendance overview of the board and committee meetings. In this overview, all meetings are presented (so not only the annually pre-scheduled meetings).

Name	Board of Directors (9)	Audit Committee (7)	Remuneration & Nomination Committee (6)
Frank Donck	9 (CM*)		6 (CM*)
Alex Brabers	9	7 (CM*)	
Michel Delloye (Cytifinance NV / Cytindus NV)	9	7	
Julien De Wilde (De Wilde J. Management BVBA)	7		6
Duco Sickinghe	2 (of 4)		
John Porter	5 (of 5)		
Charles H. Bracken	8	7	6
Diederik Karsten	7		
Balan Nair	2		
Manuel Kohnstamm	4		
Ruth Pirie	5		
Jim Ryan	5 (of 5)		
Angela McMullen	8		
André Sarens (Observer)	9	6	

CM: Chairman

7.5.6. Application of legal rules regarding conflicts of interest

In the unanimous written resolution of the board of directors of November 8, 2013, article 523 of the Belgian Company Code was applied.

In this unanimous written resolution, the board of directors approved the CEO SOP 2014 and granted a mandate to the Remuneration & Nomination Committee for the determination of the performance criteria for the period starting January 1, 2016 and ending on December 31, 2016 for the stock options granted to the CEO under the CEO SOP 2014. The written resolution mentions the following in this respect:

"1. Preliminary declaration by the directors

In accordance with the procedure of decisions taken by unanimous written consent of the directors as foreseen in article 521, lid 2 of the Belgian Company Code and in article 22.4 of the articles of association of the Company, the directors take the following decisions.

By signing this document, the directors declare:

a. to agree with the application of the procedure of unanimous written consent as foreseen in article 521, lid 2 of the Belgian Company Code and in article 22.4 of the articles of association of Telenet Group Holding NV;

b. to unanimously approve the decisions set out below.

The exceptional procedure of unanimous written consent is justified in the interest of the Company.

The CEO, Mr. John Porter, will not approve these decisions because he has a financial conflict of interest regarding these decisions in the meaning of article 523 of the Belgian Code of Companies, since it concerns the determination of his variable remuneration.

The CEO declares that he will inform the company's auditor of this conflict of interest.

This decision is within the powers of the board of directors and has the same status as a decision taken at a meeting of the board of directors. This document is signed at the date mentioned below in one copy and will be kept in the register of the minutes of the board of directors.

2. Agenda

1. *Approval CEO Stock Option Plan 2014.*
2. *Power of Attorney to Remuneration Committee to determine performance based vesting criteria for period starting 1 January 2016 and ending on 31 December 2016.*
3. *Power of Attorney.*

3. Decisions

All directors of the Company (except Mr. John Porter) unanimously take the following decisions:

First decision

The board of directors approves the terms and conditions of the Stock Option Plan 2014 ("SOP 2014") as set out in Annex A.

Second decision

The board of Directors grants a mandate to the Remuneration Committee to determine, before 31 December 2013, the performance based vesting criteria for the period starting 1 January 2016 and ending on 31 December 2016, which will afterwards be included in annex II to the individual Stock Option Agreement with the CEO.

Third decision

The board of directors grants a mandate to Mr. Frank Donck, Chairman of the board of directors, and Mr. Charlie Bracken, acting jointly, (i) to determine the exact timing of the option grant to the CEO under the SOP 2014, (ii) to determine the exercise price of the stock options, all in line with the general principles set out in the Stock Option Plan 2014 and (iii) to sign and deliver the Stock Option Agreement and all documents in relation thereto."

In the other meetings of the board of directors relating to the termination package for the previous CEO (including the determination of his variable remuneration for 2012 and 2013) and relating to the remuneration for the new CEO, the persons concerned were not present in the respective meetings, so the application of article 523 of the Belgian Company Code was not required.

7.5.7. Comments on the measures taken to comply with the legislation concerning insider dealing and market manipulation (market abuse)

Telenet adopted a Code of Conduct related to inside information and the dealing of financial instruments addressing directors, senior staff and other personnel that may have access to inside information. The Code of Conduct explains what constitutes improper conduct and what the possible sanctions are. Transactions are not allowed to be executed during certain closed periods and need to be reported as soon as possible to the Compliance Officer of the Company. Transactions by members of the Senior Leadership Team must also be reported to the Belgian Financial Services and Markets Authority in accordance with Belgian legislation.

7.6. Daily management

7.6.1. General

The Chief Executive Officer (CEO) is responsible for the daily management of the Company.

The CEO is assisted by the executive management ("Senior Leadership Team"), of which he is the chairman, and that does not constitute a management committee within the meaning of article 524bis of the Belgian Company Code.

On March 5, 2013, the Company announced that the board of directors had accepted the resignation of Mr. Duco Sickinghe as Managing Director and CEO of the Company, effective as of March 31, 2013. On the same day, the Company announced the appointment of Mr. John Porter as CEO of the Company per April 1, 2013.

On May 13, 2013, the Company announced that Mr. Jan Vorstermans, Chief Operating Officer, would leave Telenet as of July 31, 2013. His responsibilities have been divided between two new members of the Senior Leadership Team: Mr. Veenod Kurup has joined Telenet as Chief Information Officer as of May 16, 2013, and Mr. Micha Berger has joined the Company as of July 1, 2013 as Chief Technology Officer.

On June 10, 2013, the departure of Mr. Renaat Berckmoes, Chief Financial Officer, as of September 30, 2013 was announced. He was replaced by Mrs. Brigit Conix, who joined the Company as new Chief Financial Officer as of October 1, 2013.

Following these reorganizations, the Senior Leadership Team was composed as follows as from October 1, 2013:

Name	Year of birth	Position
John Porter	1957	Chief Executive Officer
Veenod Kurup	1965	Chief Information Officer
Micha Berger	1970	Chief Technology Officer
Patrick Vincent	1963	Chief Commercial Officer
Birgit Conix	1965	Chief Financial Officer
Luc Machtelinckx	1962	Executive Vice President and General Counsel
Claudia Poels	1967	Senior Vice President Human Resources
Inge Smidts	1977	Senior Vice President Residential Marketing
Martine Tempels	1961	Senior Vice President Telenet for Business
Ann Caluwaerts	1966	Senior Vice President Public Affairs & Media Management
Vincent Bruyneel	1975	Senior Vice President Strategy, Investor Relations & Corporate Communication

The Chief Executive Officer is authorized to legally bind the Company acting individually within the boundaries of daily management and for specific special powers that were granted to him by the board of directors. In addition, the board of directors has granted specific powers to certain individuals within the Telenet Group. The latest delegation of powers has been published in the Annexes of the Belgian Official Journal on December 9, 2013.

7.6.2. Conflicts of interest

Pursuant to the Corporate Governance Charter, the members of the Senior Leadership Team are deemed to avoid, to the extent possible, to perform any actions, to defend certain positions, and to pursue certain interests, if this would conflict, or would give the impression to conflict, with the interests of the Company. If such conflicts of interest would occur, the concerned member of the Senior Leadership Team shall immediately inform the CEO hereof, who will in turn inform the chairman of the board of directors.

Transactions and/or business relationships between members of the Senior Leadership Team and one or more companies of the Telenet Group should in any case take place at normal market conditions.

7.6.3. Biographies of the members of the Senior Leadership Team

The following paragraphs set out the biographical information of the current members of the Senior Leadership Team of the Company:

John Porter, Chief Executive Officer

John Porter joined Telenet as Chief Executive Officer in April 2013. He currently serves as Chairman and non-executive director on the board of the listed company Enero and oOh!media, Australia's largest outdoor media company. From 1995 to May 2012 he was Chief Executive Officer of AUSTAR United Communications, Australia, a leading provider of subscription television and related products in regional Australia. The company was wholly acquired by Foxtel, a joint venture between News Corp and Telstra, in May 2012. Mr. Porter led the growth of Austar since inception becoming its CEO at the time of the 1999 IPO. Previously John Porter also served as Chief Operating Officer, Asia Pacific for United International Holdings, the predecessor company to Liberty Global. From 1989 to 1994 John Porter was President, Ohio Division, Time Warner Communications. He started his career at Group W Broadcasting and Cable, as director Government Relations before becoming General Manager of Westinghouse Cable Systems in Texas and Alabama.

Patrick Vincent, Chief Customer Officer

Patrick Vincent joined Telenet in September 2004. He is currently Chief Customer Officer. Mr. Vincent started his career in 1989 in the food industry as Business Unit Manager of the cash and carry division at NV Huyghebaert. From 1994 to 1998 he was responsible for product sales and in 1998 was promoted to Commercial Director. From 2000 to 2004 he worked at Tech Data, an information distribution Company, as Sales Director for Belgium and Luxembourg, and in 2002 was promoted to the role of Director for Sales and Marketing.

Luc Machtelinckx, Executive Vice President and General Counsel

Luc Machtelinckx joined Telenet as Director Legal Affairs in February 1999. In this function, he was closely involved in the initial commercial steps, as well as the further development of Telenet's telephony and internet offerings. After the acquisition of the cable assets of the mixed intermunicipalities, Mr. Machtelinckx specialized in cable television legal affairs and more specifically, he played an important role in the iDTV project. In January 2007, Mr. Machtelinckx was appointed Vice President and General Counsel and as of January 2008 Senior Vice President and General Counsel. Since April 2009, Mr. Machtelinckx was appointed Executive Vice President and General Counsel. Prior to joining Telenet, Mr. Machtelinckx worked for 11 years at Esso Benelux in various legal and HR functions as well as for three 3 years at BASF Antwerp as Legal Manager and as Communication Manager.

Claudia Poels, Senior Vice President Human Resources

Claudia Poels joined the Telenet Group in May 2008 as Vice President Human Resources. Since June 15, 2009, she joined the Senior Leadership Team as Senior Vice President Human Resources. Prior to joining the Telenet Group, Mrs. Poels worked since 1992 at EDS, where she gained extensive experience working within various human resources disciplines. In 2002, Mrs. Poels was promoted to HR Director of the Belgian and Luxembourg entity, and in 2006 she became the HR Operations Director for Northern Europe.

Inge Smidts, Senior Vice President Residential Marketing

Inge Smidts joined the Telenet Group in November 2009 and was responsible for Go-to-Market reporting to the Executive Vice President – Residential Marketing until she joined the Senior Leadership Team in October 2010 as Senior Vice President Residential Marketing. Prior to joining the Telenet Group, Mrs. Smidts had over ten years of experience at Procter & Gamble, where she started as Assistant Brand Manager and was regularly promoted up to Business Leader for the Benelux Paper business. Mrs. Smidts holds a Master of Economics degree from UFSIA in Antwerp and an MBA in Marketing from the IAE in Aix-en-Provence.

Martine Tempels, Senior Vice President Telenet for Business

Martine Tempels joined the Telenet Group in January 2009. She is responsible for the Telenet Group's business-to-business division and joined the Senior Leadership Team in October 2010. Mrs. Tempels started her career as Account Manager at NCR. In 1996, Mrs. Tempels moved to EDS to become Account Manager and subsequently assumed additional responsibilities as Business Unit Manager for the financial and commercial sector. In 2007, Mrs. Tempels was appointed Application Service Executive for the Northern and Central Region EMEA. Mrs. Tempels holds a Master in Business and Economics from Vrije Universiteit Brussel.

Ann Caluwaerts, Senior Vice President Public Affairs & Media Management

Ann Caluwaerts has joined the Senior Leadership Team of the Telenet Group as of April 1, 2011, as Senior Vice President Media & Public

Affairs. She has more than 20 years of international experience in the technology and telecom sector. The last 17 years, Mrs. Caluwaerts held several positions within British Telecom (BT), one of the world's biggest suppliers of Communications solutions and services. Her latest position at BT is Vice President Service Strategy & Programs, responsible for the transformation of BT Global Services.

Vincent Bruyneel, Senior Vice President Strategy, Investor Relations & Corporate Communication

Vincent Bruyneel started his career in 1998 with Procter & Gamble as Financial Controller for the European Headquarters. In 2000, he moved on to Capco, a global financial services consulting firm, to become Financial Analyst with a focus on corporate planning and reporting. After an international assignment in New York, he became global head of corporate planning and reporting. He concluded his tenure at Capco as Principal Consultant overlooking the firm's corporate finance activities. Mr. Bruyneel joined Telenet in late 2004 and was appointed Manager Group Planning & Reporting, responsible for the company's long-range plan, budgets and corporate reporting. In 2007, he became Director Investor Relations and assumed additional responsibilities as Group Treasurer in 2008. Since 2010, Mr. Bruyneel has been appointed Vice President Investor Relations, Corporate Finance and Corporate Development. As of March 1 2012, he joined the Senior Leadership Team as Senior Vice President Strategy, Investor Relations & Corporate Communication.

Veenod Kurup, Chief Information Officer

Veenod Kurup joined Telenet in May 2013 as Chief Information Officer and he leads Telenet's Information Technology department since that time. As of May 2013, he also joined Telenet's Senior Leadership Team, reporting directly to the Company's CEO. Mr. Kurup is a cable industry veteran who held various IT, operational and engineering roles in over fourteen years with Cox Communications Inc. Before joining Telenet, Mr. Kurup worked at Gandeeva, a technology consultancy that lists Liberty Global plc among its international clients. His affinity with telecommunications, his broad technological knowledge, strategic vision and leadership qualities make him the ideal person to lead the IT team.

Micha Berger, Chief Technology Officer

Micha Berger joined the Telenet Group in July 2013 and he leads the activities of the Engineering Department and the Service Assurance Group as Chief Technology Officer (CTO) since that time. As of July 1, 2013, he also joined Telenet's Senior Leadership Team, reporting directly to the Company's CEO. Mr. Berger has worked for Liberty Global since 2006, initially as Manager of the Engineering Department at UPC Nederland. As Vice President at Liberty Global since 2010, he has been responsible for Horizon Next Generation digital TV development and product roll-out. Before these endeavors, he gained his first experience in the cable industry at HOT Israel, where he was responsible for the development of the interactive digital service platform and the roll-out of video-on-demand.

Birgit Conix, Chief Financial Officer

Birgit Conix joined Telenet as Chief Financial Officer in October 2013. As of October 2013, she also joined Telenet's Senior Leadership Team, reporting directly to the Company's CEO. Mrs. Conix has over 20 years of experience in finance across multiple industries, including fast moving consumer goods, medical devices and pharmaceuticals. Prior to joining Telenet, Mrs. Conix was Regional Head of Finance for Heineken's Western European organization and a member of Heineken's Western European Management team and Global Finance Leadership team. Prior to joining Heineken in 2011, Mrs. Conix held different top-level international positions at Johnson & Johnson in finance, strategy and business operations. Prior to Johnson & Johnson, she worked at Tenneco and Reed-Elsevier. Mrs. Conix holds a Master of Science in Business Economics from Tilburg University in the Netherlands and an MBA from the University of Chicago Booth School of Business, USA.

7.7. Remuneration report

7.7.1. Remuneration of directors

The general meeting of shareholders of the Company approved the remuneration principles of the non-executive directors of the Company in its meetings of April 28, 2010 and April 24, 2013. Each non-executive director's remuneration consists of an annual fixed fee, increased with an attendance fee per attended meeting of the board of directors. All directors, except the Chief Executive Officer and the directors appointed upon nomination of the Liberty Global Group, receive an annual fixed fee of € 45,000 each. The chairman of the board of directors receives an annual fixed fee of € 100,000. For each attended scheduled meeting of the board of directors, these directors receive an amount of € 2,500. The directors appointed upon nomination of the Liberty Global Consortium, receive an annual fixed fee of € 12,000 each. For each attended scheduled meeting of the board of directors, they receive an amount of € 2,000. The annual fixed fees are only due if the director attends at least half of the scheduled board meetings. No additional remuneration is awarded for (attending) committee meetings. The observer to the board of directors of Telenet NV is paid in the same way as the independent directors of the Company. In principle no additional remuneration is paid to the directors by other companies of the Telenet Group.

The CEO, who is the only executive director, is not remunerated for the exercise of his mandate as member of the board of directors of any of the Telenet companies.

For the year 2013, the aggregate remuneration of the members of the board of directors (including the observer) amounted to € 480,500 for the Company (see table below for individual remuneration).

Each of the directors residing in Flanders and Brussels further receive a price reduction on the Telenet products they order. These benefits in kind represent in average an amount between € 500 and € 2,000 per year. The Company believes it is important that directors are familiar with, and have a good knowledge of, the products and services of Telenet.

None of the directors (except the CEO of the Company) receives: (i) variable remuneration within the meaning of the Law of April 6, 2010 and (ii) any profit-related incentives, option rights, shares or other similar fees.

Pursuant to Belgian legislation and regulations, all board members (or persons related to them or entities fully controlled by them) must report details of their (transactions in) stock options and shares of the Company to the Belgian Financial Services and Markets Authority.

The individual remuneration for each member of the board of directors and the observer to the board is set out in the table below.

Name	Remuneration 2013
Frank Donck (CM)	€ 115,000
Alex Brabers	€ 60,000
Michel Delloye (Cytindus NV)	€ 60,000
Julien De Wilde (De Wilde J. Management BVBA)	€ 57,500
Friso van Oranje-Nassau	-
Duco Sickinghe	-
John Porter	-
Charles H. Bracken	€ 24,000
Diederik Karsten	€ 22,000
Manuel Kohnstamm	€ 20,000
Ruth Elisabeth Pirie	€ 22,000
Balan Nair	€ 4,000
Jim Ryan	€ 12,000
Angela McMullen	€ 24,000
André Sarens (*)	€ 60,000

CM: Chairman
(*): Observer

The Company expects the remuneration principles of the directors of the Company for the next two financial years to be in line with the current remuneration policy.

7.7.2. Remuneration of Executive Management (Senior Leadership Team)

1. General remuneration principles

The determination and evolution of Telenet's remuneration practices are closely linked with the growth, results and success of the Company as a whole. The Company's remuneration policy is built around internal fairness and external market competitiveness. These principles are materialized through HR tools like function classification, career paths, and external benchmarking. The strategy of the Company aligns competitive pay with the interests of shareholders and other stakeholders, aiming for an optimal balance between offering competitive salaries and avoiding excessive remuneration, whilst maintaining focus on performance and results. This implies that the Company's policies are reviewed periodically and adapted where needed.

Telenet strives for an optimal mix between the different components of the remuneration package, comprising elements of fixed pay and elements of variable pay. As examples, the Company's policy on fringe benefits offers good social support in terms of extra-legal pension, life and disability coverage and medical insurance; all of Telenet's employees can benefit from reductions or additional benefits on Telenet products; and share ownership of the Company is encouraged via employee stock purchase plans and other long term incentive plans. Telenet experiences that this balanced remuneration policy helps to attract and retain top talent.

Performance management and the achievement of results is another anchoring element in the Company's total rewards strategy: the vast majority of its employees are evaluated on and rewarded according to (i) the achievement of individual and/or corporate objectives and (2) their functioning in line with the Telenet Competence and Leadership Model. Throughout the Company's remuneration policy, customer loyalty (measured by means of a Customer Loyalty Score – see further below) plays a pivotal role.

Telenet also sets up various initiatives to create and maintain a good work-life balance for all its employees.

2. Remuneration principles for executive management (Senior Leadership Team)

a) General

The Remuneration & Nomination Committee prepares a proposal for the remuneration principles and remuneration level of the CEO and submits it for approval to the board of directors.

The CEO prepares a proposal for determining the remuneration principles and remuneration level of the members of the executive management ("Senior Leadership Team") (other than the CEO) for submission to the Remuneration & Nomination Committee. The Remuneration & Nomination Committee discusses (and possibly amends) this proposal and submits it for approval to the board of directors.

The remuneration policies of the CEO and the members of the Senior Leadership Team are based on principles of internal fairness and external market competitiveness. The Company endeavors to ensure that the remuneration of the Senior Leadership Team consists of an optimal mix between various remuneration elements.

Each member of the Senior Leadership Team is remunerated in function of (i) his/her personal functioning and (ii) pre-agreed (company-wide and individual) targets. For 2013, 50% of management's bonuses (other than the CEO) depend on financial and operational targets, 17.5% on personal targets, 17.5% on leadership targets and 15% on customer loyalty. The functioning of each member of the Senior Leadership Team is assessed on the basis of the Telenet Competence and Leadership Model and customer loyalty is measured through a Customer Loyalty Score (CLS), which is calculated according to a pre-agreed formula whereby the input data is gathered on a monthly basis by an independent professional surveying firm.

Within the limits of the existing stock option and warrant plans approved by the general shareholders' meeting, the board of directors, upon recommendation of the Remuneration & Nomination Committee, can also grant warrants and/or stock options to the members of the Senior Leadership Team.

The Performance Shares Plan 2013 for members of the Senior Leadership Team contains a provision regarding the "claw back" of variable remuneration granted in case of restatement of the Company's financial statements. None of the Company's other share-based compensation plans, including those with the CEO, have such claw-back features.

In accordance with Belgian legislation and regulations, details of (transactions in) stock options and shares held by all members of the Senior Leadership Team (or persons related to them or entities fully controlled by them) are reported to the Belgian Financial Services and Markets Authority.

In 2011, the variable remuneration of the CEO and the members of the Senior Leadership Team of the Company was reviewed in order to comply with the binding provisions of the Law of April 6, 2010 and the relevant principles of the Belgian Corporate Governance Code on executive remuneration. The general shareholders' meeting of April 27, 2011 approved these remuneration principles of the CEO and the other members of the Senior Leadership Team.

The Company expects the remuneration principles of the members of the Senior Leadership Team of the Company for the next two financial years to be in line with the current remuneration policy.

b) Remuneration principles for the CEO

The CEO's annual remuneration package consists of a fixed part, a variable part, premiums paid for group insurance and benefits in kind.

The variable cash remuneration of the CEO is based on his general performance over the year. Every year, the Remuneration & Nomination Committee formulates a bonus and merit proposal for approval by the board of directors. For 2013, the Remuneration & Nomination Committee proposed to the board of directors (i) to grant a cash bonus to the CEO for 2013 equal to € 472,500; (ii) to determine his fixed compensation for 2014 to € 630,000 on an annual basis; (iii) to determine the maximum cash bonus for 2014 to be 100% of the 2014 annual fixed compensation.

The CEO is eligible for share-based remuneration. For details on the share-based remuneration of the CEO (including the share-based remuneration received in 2013), please see section 3.b) below.

c) Remuneration principles for the members of the Senior Leadership Team (excluding the CEO)

The annual remuneration of the members of the Senior Leadership Team (excluding the CEO) consists of a fixed salary (including holiday pay and thirteenth month), a variable part, premiums paid for group insurance and benefits in kind.

The agreements with the members of the Senior Leadership Team (excluding the CEO) do not contain specific references to the criteria to be taken into account when determining variable remuneration, which deviates from provision 7.17 of the Belgian Corporate Governance Code 2009. The Company sets out the principles of variable remuneration in a general policy because it believes that there should be sufficient flexibility in the determination of the variable remuneration principles in function of prevailing market circumstances.

The variable cash remuneration depends on performance criteria relating to the relevant financial year. With respect to the bonus for each member of the Senior Leadership Team (excluding the CEO) for performance year 2013, 15% was linked to the Customer Loyalty Score, which is measured according to a pre-agreed formula whereby the input data is gathered on a monthly basis by an independent professional surveying firm (see higher) and 35% was linked to their performance as leader of their department and as an individual and the remaining 50% was linked to the achievement of the Company's financial targets for 2013. Upon advice of the CEO, the Remuneration and Nomination Committee decides on the achievement of the performance criteria of each member of the Senior Leadership Team as leader of their department and as an individual.

For 2013, the board of directors approved to grant a total variable package to the members of the Senior Leadership Team (excluding the CEO) and one other manager, composed of a cash bonus and performance shares (the "2013 Telenet Performance Shares"). These performance shares will only be definitively acquired by the beneficiaries after a period of three years, subject to the achievement of certain performance criteria over three years. These performance shares are contractual rights to receive, subject to certain performance based criteria, existing ordinary shares for free from the Company.

In addition, the payout of the cash bonus to members of the Senior Leadership Team (excluding the CEO) will be linked to meeting certain predetermined performance criteria over a one-year period. When these criteria are met, the acquired cash bonus will be paid out in the year following the performance year (and no longer be deferred over a period of 3 years). All performance criteria will be determined by the CEO and the Remuneration & Nomination Committee and validated by the board of directors.

The members of the Senior Leadership Team (excluding the CEO) are eligible for share-based remuneration. For details on the share-based remuneration of the members of the Senior Leadership Team (including the share-based remuneration received in 2013), please see section 4.b) below.

The general shareholders' meeting of the Company approved the relevant terms of this remuneration package on April 27, 2011, in accordance with the provisions of the Law of April 6, 2010.

3. Remuneration CEO

a) Cash-based remuneration

Duco Sickinghe (until March 31, 2013)

The cash-based remuneration of the former Managing Director (CEO) for the year 2013 is discussed in section 3.c) below.

John Porter (as of April 1, 2013)

The Company's Chief Executive Officer, Mr. John Porter, was granted the following remuneration: (i) a fixed remuneration of € 472,500, (ii) a variable remuneration of € 472,500, and (iii) benefits in kind valued at € 393,204. As mentioned in section 7.7.1, the CEO is not remunerated for the exercise of his mandate as director of the Company or any of the Telenet companies.

The relative importance of these components is: fixed remuneration 35.31%, variable remuneration 35.31% and benefits in kind 29.38%.

This cash-based variable remuneration, together with the share-based variable remuneration under the CEO SOP 2013 and the CEO SOP 2014 (see below), constitutes the total variable remuneration of the CEO for purposes of the Law of April 6, 2010, as approved by the general shareholders' meeting of April 27, 2011.

The benefits in kind include insurances for medical costs, life and disability, a company car, school fees for his children, travel allowance and allocation allowance up to certain maximum amounts per year. The CEO further receives a price reduction with respect to Telenet products and services he orders.

He receives no benefit in cash linked to a performance period of longer than one year.

b) Share-based remuneration

Duco Sickinghe (until March 31, 2013)

The share-based remuneration of the former Managing Director (CEO) for the year 2013 is discussed in section 3.c) below.

John Porter (as of April 1, 2013)

The Company's CEO did not receive shares nor warrants of the Company during the last financial year.

On July 4, 2013, Mr. Porter received 200,000 stock options under the CEO Stock Option Plan 2013 ("CEO SOP 2013"). These stock options are options of a contractual nature to acquire existing shares, giving the CEO the right to acquire existing shares of the Company, on a one to one basis.

The term of the stock options is five years, so all of the stock options granted under the CEO SOP 2013 have an expiration date of July 4, 2018. The stock options vest in three installments, on respectively July 4, 2014, July 4, 2015 and July 4, 2016, subject to the achievement of certain performance criteria. All stock options that vest pursuant to the CEO SOP 2013 become exercisable during defined exercise periods as from July 4, 2016.

The exercise price of these stock options is equal to € 34.33.

The vesting is performance based. The annual performance based vesting conditions were determined by the Remuneration & Nomination Committee, in consultation with the CEO. Upon a change of control over the Company, a de-listing of the Company or the start of a squeeze-out offer in relation to the shares of the Company, all stock options vest immediately and automatically.

The shares that can be acquired upon the exercise of the stock options are furthermore subject to the following retention features (applicable to each separate exercised tranche): (i) in the 90 days following the exercise of the stock options, the respective shares can only be sold up to an amount required to recover the tax and exercise price related to the exercised stock options, (ii) in the subsequent period of 270 days, a maximum of 50% of the remaining shares may be sold before the termination of the professional relationship with the Telenet Group, and (iii) the balance of the shares may only be sold following the end of the 18th month following the month in which the respective exercise period ended.

The performance based conditions for the first installment of 50,000 stock options relate to the EBITDA of the Telenet Group on a consolidated basis, the customer loyalty/satisfaction achieved by the Telenet Group and the product and services innovation within the Telenet Group. On February 11, 2014, the Remuneration & Nomination Committee determined that these performance criteria had been achieved for 2013, which will result in the vesting of these 50,000 stock options on July 4, 2014.

On November 8, 2013, Mr. Porter received 185,000 stock options under the CEO Stock Option Plan 2014 ("CEO SOP 2014"). These stock options are options of a contractual nature to acquire existing shares, giving the CEO the right to acquire existing shares of the Company, on a one to one basis.

The term of the stock options is seven years, and all of the stock options granted under the CEO SOP 2014- have an expiration date of June 26, 2020. The stock options vest in two installments, on respectively June 26, 2016 and on March 1, 2017, subject to the achievement of certain performance criteria. All stock options that vest pursuant to the CEO SOP 2014 become exercisable during defined exercise periods following June 26, 2016.

The exercise price of these stock options is equal to € 38.88.

The vesting is performance based. The annual performance based vesting conditions were determined by the Remuneration & Nomination Committee, in consultation with the CEO. Upon a change of control over the Company, a de-listing of the Company or the start of a squeeze-out offer in relation to the shares of the Company, all stock options vest immediately and automatically.

The shares that can be acquired upon the exercise of the stock options are furthermore subject to the following retention features (applicable to each separate exercised tranche): (i) in the 90 days following the exercise of the stock options, the respective shares can only be sold up to an amount required to recover the tax and exercise price related to the exercised stock options, (ii) in the subsequent period of 270 days, a maximum of 50% of the remaining shares may be sold before the termination of the professional relationship with the Telenet Group, and (iii) the balance of the shares may only be sold following the end of the 18th month following the month in which the respective exercise period ended.

The performance based conditions for the first installment of 138,750 stock options relate to the EBITDA of the Telenet Group on a consolidated basis and the customer loyalty/satisfaction achieved by the Telenet Group over the period January 1, 2014 through December 31, 2014 and the period January 1, 2015 through December 31, 2015; the performance based conditions for the second installment of 46,250 stock options relate to the EBITDA of the Telenet Group on a consolidated basis and the customer loyalty/satisfaction achieved by the Telenet Group over the period January 1, 2016 through December 31, 2016.

During 2013, the CEO did not exercise any stock options nor were any of his stock options forfeited.

As of December 31, 2013, Mr. Porter owned the following stock options:

Name Plan	Number of stock options outstanding	Exercise price	Vesting	Expiration date
CEO SOP 2013				
first installment	50,000	€ 34.33	July 4, 2014 (*)	July 4, 2018
second installment	100,000	€ 34.33	July 4, 2015 (*)	July 4, 2018
third installment	50,000	€ 34.33	July 4, 2016 (*)	July 4, 2018
CEO SOP 2014				
first installment	138,750	€ 38.88	June 26, 2016 (*)	June 26, 2020
second installment	46,250	€ 38.88	March 1, 2017 (*)	June 26, 2020

(*) Vesting subject to achievement of performance based conditions in previous financial year/years.

c) Termination arrangements

Termination arrangements made with Duco Sickinghe (until March 31, 2013)

I. Cash remuneration

Mr. Duco Sickinghe has resigned as Managing Director/CEO of the Company as of March 31, 2013 and as director of the Company as of April 24, 2013. During a limited period of time, he has provided certain transition services to the Telenet Group.

In accordance with the arrangements concluded between the Company and Mr. Sickinghe, the latter was granted the following remuneration in the year 2013: (i) a fixed remuneration of € 1,396,125, (ii) a variable remuneration of € 210,375, (iii) paid premiums for group insurance for a total amount of € 22,137 and (iv) benefits in kind valued at € 26,285. As mentioned in section 7.7.1, the CEO is not remunerated for the exercise of his mandate as director of the Company or any of the Telenet companies.

This cash-based variable remuneration, together with the share-based variable remuneration under the SSOP 2010-2014 (see below), constituted the total variable remuneration of the former CEO for purposes of the Law of April 6, 2010, as approved by the general shareholders' meeting of April 27, 2011.

Mr. Sickinghe's pension plan was a defined contribution scheme, financed by contributions from Telenet, amounting to € 22,137 in 2013. In accordance with the arrangement concluded between the Company and Mr. Sickinghe, contributions to the pension plan were made until August 31, 2013.

II. Share based remuneration

Mr. Sickinghe was not granted any new shares, warrants or stock options during 2013.

On September 4, 2010, Mr. Sickinghe received 850,000 stock options under the Special Stock Option Plan 2010-2014 ("SSOP 2010-2014"). These stock options are options of a contractual nature to acquire existing shares and not warrants. Each stock option gives the right to acquire one share in the Company. The stock options are performance based. The term of the stock options is seven years (i.e. all stock options expire on September 4, 2017). All stock options under the SSOP 2010-2014 have vested in four tranches, respectively on March 1, 2011, March 1, 2012, March 1, 2013 and August 31, 2013, each with a different exercise price.

As part of the arrangements concluded between the Company and Mr. Sickinghe, and following approvals by the Remuneration & Nomination Committee and the board of directors of the Company, the performance period related to the fourth tranche of options under the SSOP 2010-2014 was reduced in order to end on August 31, 2013 upon which these stock options were subject to accelerated vesting on that date.

At December 31, 2013, Mr. Sickinghe owned the following stock options under the SSOP 2010-2014:

Name Plan	Number of stock options outstanding	Current exercise price	Vesting	Expiration date
SSOP 2010-2014 options				
first installment	394,891	€ 14.57	All vested	September 4, 2017
second installment	315,911	€ 15.20	All vested	September 4, 2017
third installment	315,911	€ 15.83	All vested	September 4, 2017
fourth installment	315,911	€ 16.46	All vested	September 4, 2017

The shares that can be acquired upon the exercise of the stock options are subject to the following retention features:

A. in the 90 days following the exercise of the stock options, the respective shares can only be sold up to an amount required to recover (a) the taxes paid upon acceptance of the options and (b) the exercise price related to the exercised stock options;

B. in the subsequent period of 270 days, a maximum of 50% of the remaining shares may be sold; and

C. the balance of the shares may only be sold following the end of the 18th month following the month in which the respective exercise period (during which the options were exercised) has ended.

Per December 31, 2013, Mr. Sickinghe did not own any warrants in the Company. All 1,055,427 warrants held by Mr. Sickinghe (under ESOP 2008, ESOP 2007quinquies and ESOP 2009) have been exercised in the course of 2013.

III. Other

A non-compete undertaking for Belgium, subject to standard limitations, applies until December 31, 2014.

Termination provisions in contract of John Porter (as of April 1, 2013)

Mr. John Porter has a termination arrangement in his agreement with the Company, providing that in case of early termination, he will receive a maximum total cash remuneration equal to 12 months remuneration.

4. Remuneration Senior Leadership Team

a) Cash-based remuneration

In 2013, the aggregate remuneration paid to the other members of the Senior Leadership Team (excluding the CEO), amounted to € 4,700,041.30. This aggregate amount includes also all amounts to members of the Senior Leadership Team, which left the Company in the course of 2013. All members of the Senior Leadership Team (excluding the CEO) have an employment agreement with Telenet NV.

This amount is composed of the following elements (for all members jointly, excluding the CEO): (i) a fixed salary of € 2,625,585, (ii) a variable salary of € 1,495,605 (constituting 100% of the total cash bonus of 2013, 25% of the total cash bonus of 2012 and 25% of the total cash bonus of 2011, see above under 2.c)), (iii) paid premiums for group insurance for an amount of € 243,286 and (iv) benefits in kind valued at € 307,821. All amounts are gross without employer's social security contributions.

The members of the Senior Leadership Team (excluding the CEO) benefit from a defined benefit pension scheme. The plan is financed by both employer and employee contributions. The total service cost (without contributions of the employees) amounted to € 243,286.

The benefits in kind includes insurances for medical costs, life and disability, a company car, representation allowance, luncheon vouchers and for some members housing and travel expenses.

The members of the Senior Leadership Team (excluding the CEO) further receive a price reduction with respect to Telenet products or services they order.

They receive no benefit in cash linked to a performance period of longer than one year.

b) Share-based compensation

The members of the Senior Leadership Team (excluding the CEO) and one other manager received performance shares of the Company during 2013 (the 2013 Telenet Performance Shares). The performance target applicable to the 2013 Telenet Performance Shares is the achievement of a compound annual growth rate ("CAGR") for Adjusted EBITDA, when comparing 2015 Adjusted EBITDA to 2012 Adjusted EBITDA. A performance range of 75% to 150% of the target Adjusted EBITDA CAGR would generally result in award recipients earning 50% to 150% of their 2013 Performance Shares, subject to reduction or forfeiture based on individual performance and service requirements. The Telenet Performance Shares Plan 2013 contains a provision regarding the "claw back" of variable remuneration granted in case of restatement of the Company's financial statements.

An overview of the numbers of 2013 Telenet performance shares granted in 2013 to (and accepted by) the members of the Senior Leadership Team can be found below:

Name	Number of performance shares granted and accepted
Micha Berger	3,135
Vincent Bruyneel	1,908
Ann Caluwaerts	2,372
Birgit Conix	3,111
Veenod Kurup	3,135
Luc Machtelinckx	2,713
Claudia Poels	2,301
Inge Smidts	2,467
Martine Tempels	2,292
Patrick Vincent	2,982

It should also be noted that the 2011 Telenet Performance Shares and 2012 Telenet Performance Shares were amended following the payment of the extraordinary dividend in 2013, whereby the number of performance shares was increased by the same factor 0.811905 as used for the amendment of warrants and options.

The members of the Senior Leadership Team (excluding the CEO) did not receive any other shares of the Company during 2013.

On December 31, 2013 the current members of the Senior Leadership Team (excluding the CEO) held in aggregate 132,289 warrants under the ESOP 2007 and 213,314 warrants under the ESOP 2010. Each warrant can be exercised for one share. The vesting of these warrants occurs progressively (per quarter) over a period of four years. After vesting, the warrants can be exercised immediately.

During 2013, the members of the Senior Leadership Team also received stock options under the Employee Stock option Plan 2013. An overview of the stock options granted to (and accepted by) the current members of the Senior Leadership Team (excluding the CEO) during 2013 can be found in the table below:

Name	Grant	Number of stock options granted	Number of stock options accepted	Exercise price
Micha Berger	ESOP 2013 primo	50,000	50,000	€ 34.33
Vincent Bruyneel	ESOP 2013 primo	40,000	40,000	€ 34.33
Ann Caluwaerts	ESOP 2013 primo	40,000	20,000	€ 34.33
Birgit Conix	ESOP 2013 bis	40,000	40,000	€ 36.75
Veenod Kurup	ESOP 2013 primo	50,000	50,000	€ 34.33
Luc Machtelinckx	ESOP 2013 primo	40,000	40,000	€ 34.33
Claudia Poels	ESOP 2013 primo	40,000	40,000	€ 34.33
Inge Smidts	ESOP 2013 primo	50,000	50,000	€ 34.33
Martine Tempels	ESOP 2013 primo	40,000	0	€ 34.33
Patrick Vincent	ESOP 2013 primo	50,000	50,000	€ 34.33

An overview of the warrants exercised by the members of the Senior Leadership Team (excluding the former CEO and the current CEO) during 2013, while they were members of the Senior Leadership Team, can be found in the table below:

Name	Number of warrants exercised	Exercise Price	Plan
Before amendments on May 3, 2013 in relation to payment of extraordinary dividend			
Berckmoes Renaat	115,000 41,000	€ 9.85 € 18.73	ESOP 2007 quater ESOP 2007 septies
Bruyneel Vincent	20,500 16,000	€ 9.85 € 18.73	ESOP 2007 quater ESOP 2010 primo
Caluwaerts Ann	2,760	€ 23.86	ESOP 2010 ter
Machtelinckx Luc	7,750 8,816	€ 9.85 € 18.73	ESOP 2007 quater ESOP 2010 primo
Smidts Inge	1,856 8,014	€ 13.43 € 18.73	ESOP 2007 sexies ESOP 2010 primo
Tempels Martine	7,000	€ 18.73	ESOP 2010 primo
Vincent Patrick	1,846 29,000 30,000	€ 9.94 € 9.85 € 18.73	ESOP 2007 bis ESOP 2007 quater ESOP 2007 septies
Vorstermans Jan	144,149 102,528 64,120	€ 9.94 € 9.85 € 18.73	ESOP 2007 bis ESOP 2007 quater ESOP 2010 primo
After amendments on May 3, 2013 in relation to payment of extraordinary dividend			
Berckmoes Renaat	12,138	€ 8.00	ESOP 2007 quater
Bruyneel Vincent	2,900 7,100	€ 8.00 € 15.21	ESOP 2007 quater ESOP 2010 primo
Caluwaerts Ann	5,100	€ 19.37	ESOP 2010 ter
Poels Claudia	16,844	€ 8.00	ESOP 2007 quater
Smidts Inge	3,434	€ 10.90	ESOP 2007 sexies
Tempels Martine	1,157	€ 8.00	ESOP 2007 quater
Vincent Patrick	433 11,500 18,500	€ 8.00 € 8.00 € 15.21	ESOP 2007 quater ESOP 2007 quater ESOP 2007 septies
Vorstermans Jan	8,422	€ 8.00	ESOP 2007 quater

c) Termination arrangements

The employment agreements of some members of the Senior Leadership Team, all concluded before July 2009, contain termination arrangements providing for a notice period which can exceed twelve months in case of termination by Telenet NV (other than for cause):

Mr. Jan Vorstermans had a contractual termination clause, providing for a notice period in case of termination by the Company (except for cause) to be calculated on the basis of the 'formula Claeys', with a minimum of 7 months.

Mr. Luc Machtelinckx has a contractual termination clause, providing for the performance during a notice period in case of termination by the Company (except for cause) to be calculated on the basis of the 'formula Claeys', which may be replaced (with the prior agreement of Mr. Machtelinckx) by an indemnification payment (without performance).

Mr. Herbert Vanhove, the Company's former Senior Vice President Product Management, had a contractual termination clause, providing for a notice period in case of termination by the Company (except for cause or material underperformance) of minimum 8 months.

The employment agreements with Mrs. Martine Tempels, Mrs. Inge Smidts, Mr. Herbert Vanhove and Mr. Vincent Bruyneel, all concluded when they were not yet members of the Senior Leadership Team (and before May 4, 2010, i.e. the date of entry into force of the Law of April 6, 2010), do contain specific provisions relating to early termination, although they do not contain a clause specifying that severance pay in the event of early termination should not exceed 12 months' remuneration, which for the latter point deviates from provision 7.18. of the Belgian Corporate Governance Code 2009. The Company did not conclude a new agreement with them at the occasion of their appointment as members of the Senior Leadership Team.

The employment agreement with Mr. Renaat Berckmoes did not contain specific provisions relating to early termination. The employment agreements with Mr. Patrick Vincent and Mrs. Claudia Poels also do not contain specific provisions relating to early termination.

The agreements with Mrs. Ann Caluwaerts, Mr. Veenod Kurup, Mr. Micha Berger and Mrs. Birgit Conix, all concluded after May 4, 2010, contain a clause specifying that severance pay in the event of early termination shall not exceed the maximum amount foreseen by law.

Each new agreement concluded with members of the Senior Leadership Team after May 4, 2010 therefore complies with the legal provisions of the Law of April 6, 2010 and the Belgian Corporate Governance Code 2009.

In February 2013, Mr. Herbert Vanhove, who was a member of the Senior Leadership Team, left Telenet. In the termination agreement, approved by the board of directors upon proposal of the Remuneration & Nomination Committee, an indemnity not exceeding one years' basic and variable remuneration was granted (based on the basis of time served within the Company) and a pro rata part of his performance shares 2011 (1,218 performance shares) and 2012 (1,766 performance shares) were declared forfeited in accordance with the provisions of the plans.

In July 2013, Mr. Jan Vorstermans, who was a member of the Senior Leadership Team, left Telenet. In the termination agreement, approved by the board of directors upon proposal of the Remuneration & Nomination Committee, an indemnity not exceeding one years' basic and variable remuneration was granted. As part of the termination package, all his performance shares 2011 (6,897 performance shares following the payment of the extraordinary dividend in 2013) and 2012 (4,972 performance shares following the payment of the extraordinary dividend in 2013) were declared forfeited in accordance with the provisions of the plans. As of December 31, 2013, Mr. Vorstermans still has 47,390 warrants outstanding under ESOP 2010 primo, which he can exercise during the remaining lifetime of the plan.

In September 2013, Mr. Renaat Berckmoes, who was a member of the Senior Leadership Team, left Telenet. In the termination agreement, approved by the board of directors upon proposal of the Remuneration & Nomination Committee, an indemnity not exceeding one years' basic and variable remuneration was granted. As part of the termination package, all his performance shares 2011 (5,093 performance shares following the payment of the extraordinary dividend in 2013) and 2012 (3,681 performance shares following the payment of the extraordinary dividend in 2013) were declared forfeited in accordance with the provisions of the plans. As of December 31, 2013, Mr. Berckmoes still has 43,782 warrants outstanding under ESOP 2007 quater and 83,765 warrants outstanding under ESOP 2007 septies, which he can exercise during the remaining lifetime of the respective plans.

7.8. Audit of the company

7.8.1. External audit by statutory auditors

For details on the audit and non-audit fees paid to the auditor in 2013, we refer to note 5.28 to the consolidated financial statements of the Company.

7.8.2. Internal audit

As from 2013, the Company has appointed Deloitte as the internal auditor of the Company and its subsidiaries for a period of three years.

The internal audit activities are carried out on the basis of a plan annually approved and monitored by the Audit Committee. These internal audit activities cover a wide range of topics and aim at the evaluation and improvement of the specific control environment.

Mechelen, March 11, 2014

On behalf of the board of directors

John Porter
Chief Executive Officer

Frank Donck
Chairman

Telenet Group Holding NV consolidated financial statements

1. Consolidated statement of financial position

(in thousands of euro)	Note	December 31, 2013	December 31, 2012 as restated*	January 1, 2012 as restated*
Assets				
Non-current assets:				
Property and equipment	5.4	1,386,053	1,337,479	1,301,121
Goodwill	5.5	1,241,813	1,241,798	1,241,798
Other intangible assets	5.6	251,916	340,963	409,484
Deferred tax assets	5.14	82,117	42,303	10,721
Other assets	5.8	7,683	11,692	36,181
Total non-current assets		**2,969,582**	**2,974,235**	**2,999,305**
Current assets:				
Inventories	5.9	15,386	17,788	9,139
Trade receivables	5.7	118,670	110,530	93,623
Other current assets	5.8	83,829	89,127	89,988
Cash and cash equivalents	5.10	214,103	906,300	346,597
Total current assets		**431,988**	**1,123,745**	**539,347**
Total assets		**3,401,570**	**4,097,980**	**3,538,652**

(in thousands of euro)	Note	**December 31, 2013**	**December 31, 2012 as restated***	**January 1, 2012 as restated***
Equity and Liabilities				
Equity:				
Share capital	5.11	12,582	12,331	294,190
Share premium and other reserves	5.11	982,163	941,587	1,005,724
Retained loss	5.11	(2,465,933)	(1,674,427)	(1,548,325)
Remeasurements	5.11	(7,498)	(6,044)	(4,777)
Total equity attributable to owners of the Company		**(1,478,686)**	**(726,553)**	**(253,188)**
Non-controlling interests	5.11	8,292	6,166	9
Total equity		**(1,470,394)**	**(720,387)**	**(253,179)**
Non-current liabilities:				
Loans and borrowings	5.12	3,790,420	3,770,546	2,904,131
Derivative financial instruments	5.13	110,959	164,636	94,093
Deferred revenue	5.18	2,682	2,566	4,380
Deferred tax liabilities	5.14	109,436	80,470	26,567
Other liabilities	5.15	90,828	63,042	120,009
Total non-current liabilities		**4,104,325**	**4,081,260**	**3,149,180**
Current liabilities:				
Loans and borrowings	5.12	77,909	72,486	55,402
Trade payables		141,826	148,141	147,341
Accrued expenses and other current liabilities	5.17	340,558	380,370	319,780
Deferred revenue	5.18	78,985	81,563	86,791
Derivative financial instruments	5.13	39,850	42,481	28,877
Current tax liability	5.14	88,511	12,066	4,460
Total current liabilities		**767,639**	**737,107**	**642,651**
Total liabilities		**4,871,964**	**4,818,367**	**3,791,831**
Total Equity and liabilities		**3,401,570**	**4,097,980**	**3,538,652**

The notes are an integral part of these consolidated financial statements.

* See note 5.2.20

2. Consolidated statement of profit or loss and other comprehensive income

For the years ended December 31, (in thousands of euro, except per share data)	Note	**2013**	**2012 as restated***
Profit for the period			
Revenue	5.18	1,641,290	1,488,773
Cost of services provided	5.19	(994,788)	(852,422)
Gross profit		**646,502**	**636,351**
Selling, general and administrative expenses	5.19	(257,342)	(246,667)
Operating profit		**389,160**	**389,684**
Finance income		58,471	6,580
Net interest income and foreign exchange gain		2,183	6,580
Net gain on derivative financial instruments		56,288	-
Finance expense		(264,940)	(328,898)
Net interest expense, foreign exchange loss and other finance expense		(264,940)	(241,876)
Net loss on derivative financial instruments		-	(87,022)
Net finance expenses	**5.20**	**(206,469)**	**(322,318)**
Other income / (loss)		1	(43)
Profit before income tax		182,692	67,323
Income tax expense	5.21	(66,328)	(34,046)
Profit for the period		**116,364**	**33,277**

Other comprehensive income for the period, net of income tax			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability/(asset)	5.16	(1,454)	(1,267)
Other comprehensive income for the period, net of income tax		**(1,454)**	**(1,267)**
Total comprehensive income for the period		**114,910**	**32,010**
Profit attributable to:		**116,364**	**33,277**
Owners of the Company		116,355	33,270
Non-controlling interests		9	7
Total comprehensive income for the period, attributable to:		**114,910**	**32,010**
Equity owners of the Company		114,901	32,003
Non-controlling interests		9	7
Earnings per share			
Basic earnings per share in €	5.22	1.02	0.29
Diluted earnings per share in €	5.22	1.00	0.29

The notes are an integral part of these consolidated financial statements.

* See note 5.2.20

3. Consolidated statement of changes in shareholders' equity

Attributable to equity holders of the Company

(in thousands of euro, except share data)	Note	Number of shares	Share capital	Share premium
January 1, 2012 as reported		**113,516,857**	**294,190**	**79,324**
Impact of changes in accounting policies	5.2.20	-	-	-
January 1, 2012 as restated*		**113,516,857**	**294,190**	**79,324**
Total comprehensive income for the year as restated*				
Profit for the period		-	-	-
Other comprehensive income		-	-	-
Total comprehensive income for the year as restated*		**-**	**-**	**-**
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners of the Company				
Reallocation of prior year's profit to legal reserve	5.11	-	-	-
Recognition of share-based compensation	5.11	-	-	-
Dividend	5.11	-	-	-
Proceeds received upon exercise of Class A Options	5.11	-	-	-
Proceeds received upon exercise of Warrants	5.11	994,730	1,428	11,322
Issuance of share capital via exchange of Class A Profit Certificates	5.11	346,025	897	432
Incorporation of share premium into share capital	5.11	-	84,994	(84,994)
Cost of capital	5.11	-	-	-
Own shares acquired	5.11	-	-	-
Annulment capital reduction and dividend related to own shares	5.11	-	-	-
Cancellation of own shares	5.11	(1,449,076)	-	-
Repayment of capital to shareholders	5.11	-	(369,178)	-
Total contributions by and distributions to owners of the Company		**(108,321)**	**(281,859)**	**(73,240)**
Changes in ownership interests in subsidiaries				
Capital contributions by NCI		-	-	-
Total transactions with owners of the Company		**(108,321)**	**(281,859)**	**(73,240)**
December 31, 2012 as restated*		**113,408,536**	**12,331**	**6,084**

* See note 5.2.20

Equity-based compensation reserve	Legal reserve	Reserve for own shares	Other reserves	Retained loss	Remeasure-ments	Total	Non-controlling interest	Total equity
36,875	**69,938**	**(5,763)**	**825,350**	**(1,548,156)**	**-**	**(248,242)**	**9**	**(248,233)**
-	-	-	-	(169)	(4,777)	(4,946)	-	(4,946)
36,875	**69,938**	**(5,763)**	**825,350**	**(1,548,325)**	**(4,777)**	**(253,188)**	**9**	**(253,179)**
-	-	-	-	33,270	-	33,270	7	33,277
-	-	-	-	-	(1,267)	(1,267)	-	(1,267)
-	**-**	**-**	**-**	**33,270**	**(1,267)**	**32,003**	**7**	**32,010**
-	83	-	-	(83)	-	-	-	-
6,943	-	-	-	-	-	6,943	-	6,943
-	-	-	-	(113,594)	-	(113,594)	-	(113,594)
1,329	-	-	-	-	-	1,329	-	1,329
-	-	-	-	-	-	12,750	-	12,750
(1,329)	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	(31)	-	-	(31)	-	(31)
-	-	(45,748)	-	-	-	(45,748)	-	(45,748)
-	-	-	2,108	53	-	2,161	-	2,161
-	-	45,748	-	(45,748)	-	-	-	-
-	-	-	-	-	-	(369,178)	-	(369,178)
6,943	**83**	**-**	**2,077**	**(159,372)**	**-**	**(505,368)**	**-**	**(505,368)**
-	-	-	-	-	-	-	6,150	6,150
6,943	**83**	**-**	**2,077**	**(159,372)**	**-**	**(505,368)**	**6,150**	**(499,218)**
43,818	**70,021**	**(5,763)**	**827,427**	**(1,674,427)**	**(6,044)**	**(726,553)**	**6,166**	**(720,387)**

Attributable to equity holders of the Company

(in thousands of euro, except share data)	Note	Number of shares	Share capital	Share premium
January 1, 2013 as restated*		**113,408,536**	**12,331**	**6,084**
Total comprehensive income for the period				
Profit for the period		-	-	-
Other comprehensive income		-	-	-
Total comprehensive income for the period		**-**	**-**	**-**
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners of the Company				
Reallocation of prior year's profit to legal reserve	5.11	-	-	-
Recognition of share-based compensation	5.11	-	-	-
Dividend	5.11	-	-	-
Proceeds received upon exercise of Warrants	5.11	2,310,616	251	26,602
Annulment capital reduction and dividend related to own shares	5.11	-	-	-
Disposal of treasury shares	5.11	-	-	-
Total contributions by and distributions to owners of the Company		**2,310,616**	**251**	**26,602**
Changes in ownership interests in subsidiaries				
Capital contributions by NCI		-	-	-
Total transactions with owners of the Company		**2,310,616**	**251**	**26,602**
December 31, 2013		**115,719,152**	**12,582**	**32,686**

The notes are an integral part of these consolidated financial statements.

* See note 5.2.20

Equity-based compensation reserve	Legal reserve	Reserve for own shares	Other reserves	Retained loss	Remeasure-ments	Total	Non-controlling interest	Total equity
43,818	**70,021**	**(5,763)**	**827,427**	**(1,674,427)**	**(6,044)**	**(726,553)**	**6,166**	**(720,387)**
-	-	-	-	116,355	-	116,355	9	116,364
-	-	-	-	-	(1,454)	(1,454)	-	(1,454)
-	**-**	**-**	**-**	**116,355**	**(1,454)**	**114,901**	**9**	**114,910**
-	2,426	-	-	(2,426)	-	-	-	-
10,547	-	-	-	-	-	10,547	-	10,547
-	-	-	-	(905,435)	-	(905,435)	-	(905,435)
-	-	-	-	-	-	26,853	-	26,853
-	-	-	936	-	-	936	-	936
15	-	50	-	-	-	65	-	65
10,562	**2,426**	**50**	**936**	**(907,861)**	**-**	**(867,034)**	**-**	**(867,034)**
-	-	-	-	-	-	-	2,117	2,117
10,562	**2,426**	**50**	**936**	**(907,861)**	**-**	**(867,034)**	**2,117**	**(864,917)**
54,380	**72,447**	**(5,713)**	**828,363**	**(2,465,933)**	**(7,498)**	**(1,478,686)**	**8,292**	**(1,470,394)**

4. Consolidated statement of cash flows

For the years ended December 31, *(in thousands of euro)*	Note	**2013**	**2012** **as restated***
Cash flows provided by operating activities:			
Profit for the period		116,364	33,277
Adjustments for:			
Depreciation, amortization, impairment and restructuring	5.19	445,815	378,593
(Gain)/Loss on disposal of property and equipment and other intangible assets	5.19	(2,942)	1,705
Income tax expense	5.21	66,328	34,046
Decrease in allowance for bad debt	5.7	(1,549)	(6,118)
Net interest income and foreign exchange gain	5.20	(2,183)	(6,580)
Net interest expense, foreign exchange loss and other finance expense	5.20	264,940	241,876
Net (gain)/loss on derivative financial instruments	5.20	(56,288)	87,022
Other loss/(income)		(1)	43
Share based payments	5.19	10,547	6,943
Change in:			
Trade receivables		(6,591)	(10,789)
Other assets		(4,156)	(5,265)
Deferred revenue		(2,462)	(7,042)
Trade payables		(6,374)	1,871
Other liabilities		(1,700)	(3,385)
Accrued expenses and other current liabilities		9,351	18,235
Interest paid		(239,573)	(197,212)
Interest received		1,073	6,142
Income taxes paid		(53)	(3,379)
Net cash provided by operating activities		**590,546**	**569,983**

The notes are an integral part of these consolidated financial statements.

* See note 5.2.20

For the years ended December 31, (in thousands of euro)	note	2013	2012 as restated*
Cash flows used in investing activities:			
Purchases of property and equipment		(256,647)	(236,516)
Purchases of intangibles		(110,563)	(84,407)
Acquisitions of subsidiaries and affiliates, net of cash acquired		(447)	(298)
Proceeds from sale of property and equipment and other intangibles		3,884	2,329
Purchases of broadcasting rights for resale purposes		(25,608)	(24,063)
Proceeds from the sale of broadcasting rights for resale purposes		25,608	24,063
Net cash used in investing activities		**(363,773)**	**(318,892)**
Cash flows provided by (used in) financing activities:			
Repayments of loans and borrowings	5.12	(7,400)	(131,407)
Proceeds from loans and borrowings	5.12	-	999,000
Payments of finance lease liabilities		(31,248)	(29,142)
Payments for debt issuance costs		(374)	(19,521)
Payments for other financing activities		(3,793)	(1,627)
Sale/(Repurchase) of own shares	5.11	65	(45,749)
Proceeds from exercise of options and warrants	5.11	26,853	14,079
Proceeds from capital transactions with equity participants		2,094	2,573
Payments related to capital reductions and dividends	5.11	(905,167)	(479,594)
Net cash provided by (used in) financing activities		**(918,970)**	**308,612**
Net increase (decrease) in cash and cash equivalents		**(692,197)**	**559,703**
Cash and cash equivalents:			
at January 1	5.10	906,300	346,597
at December 31	5.10	214,103	906,300

The notes are an integral part of these consolidated financial statements.

* See note 5.2.20

5. Notes to the consolidated financial statements for the year ended December 31, 2013

5.1. Reporting entity and basis of preparation

5.1.1. Reporting entity

The accompanying consolidated financial statements present the operations of Telenet Group Holding NV, its subsidiaries and other consolidated companies (hereafter collectively referred to as the "Company" or "Telenet"). 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 communes in Brussels as well as broadband internet, data and voice services in the business market throughout Belgium. The Company also offers mobile telephony services through an MVNO partnership with Mobistar. Telenet Group Holding NV and its principal operating subsidiaries are limited liability companies organized under Belgian law. Subsidiaries and special purpose entities have been incorporated in Luxembourg in order to structure the Company's financing operations.

5.1.2. Basis of preparation

In accordance with the EU Regulation 1606/2002 of July 19, 2002, the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("EU IFRS"). The financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value. The methods used to measure fair values are discussed further in note 5.2.8. The principal accounting policies are set out in section 5.2 below.

5.1.3. Functional and presentation currency

These consolidated financial statements are presented in euro ("€"), which is the Company's functional currency, rounded to the nearest thousand except when indicated otherwise.

5.1.4. Use of estimates and judgments

The preparation of financial statements in accordance with EU IFRS 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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the following notes:

- note 5.3.6: Financial instruments: fair values
- note 5.4: Property and equipment
- note 5.5: Goodwill
- note 5.6: Other intangible assets
- note 5.13: Derivative financial instruments
- note 5.14: Deferred taxes

A number of the Company's accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities. When measuring the fair value of an asset or liability, the Company uses market observable data as far as possible.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the fair value techniques, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For further information about the assumptions made in measuring fair values we refer to note 5.3.6 Financial Instruments and note 5.11.2 Employee share based compensation.

5.1.5. Going Concern

As a result of the Company's shareholders disbursements policy and the capital reductions described in note 5.11.1, the consolidated financial statements as of December 31, 2013 showed a negative (consolidated) equity amounting to € 1,470.4 million.

The Company considers its most optimal equity structure on a consolidated level, based on a certain net leverage range as described in note 5.3.5, even in case of a negative equity on a consolidated level.

The statutory annual accounts of Telenet Group Holding NV as of and for the year ended December 31, 2013 presented a positive equity of € 4,502.9 million compared to € 177.2 million at December 31, 2012. The increase in total equity versus December 31, 2012 primarily resulted from the contribution in kind by Telenet Group Holding NV of its shares of Telenet NV in its wholly owned subsidiary Telenet Service Center BVBA. In contrast to its statutory annual accounts, the Company's consolidated statement of financial position does not reflect that particular transaction, which was carried out at fair value. This is one of the main reasons why the Company's consolidated equity remained negative at December 31, 2013.

The board of directors has considered the Company's net equity position and has prepared the consolidated financial statements applying the accounting policies consistently on a going concern basis taking into account amongst others:

- the forecasted earnings for the next years;
- a projected steadily strong positive cash flow;
- maturities of financial obligations as disclosed in note 5.3.3.

5.1.6. Approval by board of directors

These consolidated financial statements were authorized for issue by the board of directors on March 11, 2014.

5.2. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

No changes to the significant accounting policies have been made, except as explained in note 5.2.19, which addresses new standards, interpretations, amendments and improvements. The quantitative impact of the changes in accounting policies is further documented in note 5.2.20.

5.2.1. Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist when the Company holds more than 50% of the voting power of another entity. In assessing control, potential voting rights that are currently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Company. The consolidated financial statements include the accounts of Telenet Group Holding NV and all of the entities that it directly or indirectly controls. Intercompany balances and transactions, and any income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a negative balance.

Special Purpose Entities (SPEs)

The Company has established special purpose entities (SPEs) for financing purposes. The Company does not have any direct or indirect shareholdings in these entities. An SPE is consolidated if, based on an evaluation of the substance of its relationship with the Company and the SPE's risks and rewards, the Company concludes that it controls the SPE. SPEs controlled by the Company were established under terms that impose strict limitations on the decision-making powers of the SPEs' management and that result in the Company receiving the majority of the benefits related to the SPEs' operations and net assets and being exposed to the majority of risks incident to the SPEs' activities.

Associates and jointly controlled entities

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity.

Jointly controlled entities are those entities over whose activities the Company has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Associates and jointly controlled entities are accounted for using the equity method.

The consolidated financial statements include the Company's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Company, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

5.2.2. Segment Reporting

Operating segments are the individual operations of a company that the chief operating decision maker ("CODM") reviews regularly in allocating resources to these segments and in assessing segment performance. Telenet's segment reporting is presented based on how Telenet's internal financial information is organized and reported to the CEO, who is Telenet's CODM, the Senior Leadership Team and the board of directors.

The CEO, the Senior Leadership Team and the board of directors of Telenet manage the Company as a single operation, and assess its performance and make resource allocation decisions based on an overall Profit and Loss Statement. The Profit and Loss Statement is analyzed at least on a monthly basis with only revenue and direct costs allocated to separate product and service lines. The primary measure of profit within the Profit and Loss Statement used by the CODM to assess performance is Adjusted EBITDA, and the Profit and Loss Statement does not present Adjusted EBITDA for separate product and service lines. Notwithstanding that revenue and direct costs are allocated to the separate product and service lines, as a differentiated Profit and Loss Statement is not used by the CODM to manage Telenet's operations, assess performance or make resource allocation decisions, Telenet has determined that its operations constitute one single segment.

5.2.3. Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. When components of an item of property and equipment have different useful lives, they are accounted for as separate components of property and equipment. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Depreciation is recognized in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each component of property and equipment.

The following useful lives are used for the depreciation of property and equipment:

- Buildings and improvements 10-33 years
- Network 3-30 years
- Furniture, equipment and vehicles 2-10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Based on the results of the Company's periodic review of the useful lives of its assets, the Company changed the useful life for fiber network assets and associated capitalized construction costs from 20 to 30 years, prospectively as from January 1, 2013.

Government grants related to assets are recorded as a deduction from the cost in arriving at the carrying amount of the asset. The grant is recognized in the income statement over the life of a depreciable asset as a reduction of depreciation expense.

The Company includes borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

The cost of replacing a component of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of repairs and maintenance of property and equipment are recognized in the consolidated statement of profit or loss and other comprehensive income as incurred.

The fair value of property and equipment recognized as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction. The market price of items of equipment is based on the quoted market prices for similar items.

It is the Company's policy to remove an asset's gross cost and accumulated depreciation at the end of an asset's useful life if the asset is no longer used by the Company, except when the asset is classified as held for sale.

5.2.4. Intangible assets

Intangible assets with finite useful lives are measured at cost and are amortized on a straight-line basis over their estimated useful lives as follows:

- Network user rights Life of the contractual right
- Trade name 15 years
- Customer relationships and supply contracts 5 to 15 years
- Broadcasting rights Life of the contractual right
- Software development costs 3 years
- Out of market component on future lease obligations Term of the lease agreement

Amortization methods, useful lives and residual values are reviewed at each reporting date and are adjusted if appropriate.

Costs associated with maintaining computer software are recognized as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets.

Capitalized internal-use software costs include only external direct costs of materials and services consumed in developing or obtaining the software and payroll and payroll-related costs for employees who are directly associated with and who devote time to the project. Capitalization of these costs ceases no later than the point at which the project is substantially complete and ready for its intended purpose. Internally-generated intangible assets are amortized on a straight-line basis over their useful lives. Where no internally-generated intangible asset can be recognized, development expenditure is recognized as an expense in the period in which it is incurred.

Broadcasting rights are capitalized as an intangible asset when the value of the contract is measurable upon signing. For such broadcasting rights with respect to movies the amortizations during the first three months of the license period are based on the actual number of runs to reflect the pattern of consumption of the economic benefits embodied in the content rights. As for the remaining months of the license period the pattern of consumption of the future economic benefits can no longer be determined reliably, the straight-line method is used until the end of the license period. Broadcasting rights with respect to sports contracts are amortized on a straight-line basis over the sports season.

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated brands, is recognized in the statement of profit or loss and other comprehensive income as incurred.

The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

The fair value of trade names acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the trade name being owned.

The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

It is the Company's policy to remove an asset's gross cost and accumulated amortization at the end of an asset's useful life if the asset is no longer used by the Company, except when the asset is classified as held for sale.

5.2.5. Impairment of financial and non-financial assets

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in the statement of profit or loss and other comprehensive income. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit or loss and other comprehensive income. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit or group of units on a pro rata basis.

In respect of assets other than goodwill, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

5.2.6. Acquisition Accounting and Goodwill

Business combinations are accounted for using the acquisition method as of the acquisition date, which is the date on which control is transferred to the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Company takes into consideration potential voting rights that currently are exercisable.

The Company measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquiree; plus

- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in the statement of profit or loss and other comprehensive income.

The consideration transferred does not include amounts related to the settlement of preexisting relationships. Such amounts are generally recognized in the statement of profit or loss and other comprehensive income. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination are expensed as incurred. Any contingent consideration payable is recognized at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognized in the statement of profit or loss and other comprehensive income.

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment.

Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Goodwill is tested for impairment annually, or more frequently when there is an indication that it may be impaired. The Company has identified one cash-generating unit to which all goodwill was allocated. If the recoverable amount of the cash-generating unit is less than the carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets pro-rata on the basis of the carrying amount of each asset. An impairment loss recognized for goodwill is not reversed in a subsequent period.

5.2.7. Foreign currency transactions

The Company's functional and presentation currency is the euro, which is also the functional currency of each of the Company's subsidiaries. Transactions in currencies other than the euro are translated at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Gains and losses arising on translation are included in profit or loss for the period. In order to hedge its exposure to certain foreign exchange risks, the Company enters into forward contracts (see below for details of the Company's accounting policies with respect to such derivative financial instruments).

5.2.8. Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, trade and other receivables, loans and borrowings, and trade and other payables.

Cash and cash equivalents

Cash equivalents consist principally of money market funds, commercial paper and certificates of deposit with remaining maturities at acquisition of 3 months or less. Except for money market funds, which are recognized at fair value with changes through the statement of profit or loss and other comprehensive income, cash and cash equivalents are carried at amortized cost using the effective interest rate method, less any impairment losses.

The carrying amounts of cash and cash equivalents approximate fair value because of the short maturity of those instruments.

Trade receivables

Trade receivables do not carry any interest and are stated at their amortized cost less any allowance for doubtful amounts.

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The carrying amounts of trade receivables approximate fair value because of the short maturity of those instruments.

Loans and borrowings

Interest-bearing bank loans are recorded at the proceeds received, net of direct issuance costs. Finance charges, including premiums payable on settlement or redemption and direct issuance costs, are accounted for on an accrual basis using the effective interest method and are recorded as a component of the related debt to the extent that they are not settled in the period in which they arise.

The Company initially recognizes debt securities issued on the date that they are originated. Such liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method.

Trade payables

Trade payables are not interest bearing and are stated at amortized cost. The carrying amounts of trade payables approximate fair value because of the short maturity of those instruments.

Derivative financial instruments

The Company's activities are exposed to changes in foreign currency exchange rates and interest rates.

The Company seeks to reduce its exposure through the use of certain derivative financial instruments in order to manage its exposure to exchange rate and interest rate fluctuations arising from its operations and funding.

The use of derivatives is governed by the Company's policies approved by the board of directors, which provides written principles on the use of derivatives consistent with the Company's risk management strategy.

The Company has entered into various derivative instruments to manage interest rate and foreign currency exchange rates exposure.

Derivatives are measured at fair value. The Company does not apply hedge accounting to its derivative instruments. Accordingly, changes in the fair values of derivative instruments are recognized immediately in the statement of profit or loss and other comprehensive income.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not carried at fair value through the statement of profit or loss and other comprehensive income.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are presented in the reserve for own shares. When own shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

5.2.9. Revenue recognition

Subscription fees for telephony, internet and premium cable television are prepaid by subscribers on a monthly basis and recognized in revenue as the related services are provided, i.e. in the subsequent month. Subscription fees for analog cable television are prepaid by subscribers predominantly on an annual basis and recognized in revenue on a straight-line basis over the following twelve months. Revenue from usage based premium television, mobile and fixed telephone and internet activity is recognized on actual usage.

Installation fees charged to residential customers are recognized as revenue by reference to the stage of completion of the installation. As installation ordinarily does not take long, installation fees are recognized generally as revenue on completion of the installation. Due to the specific characteristics of a business transaction, upfront installation fees charged to business customers are considered part of an integrated solution. The installation is not considered to have stand-alone value and revenue from installation fees charged to business customers is recognized on a straight-line basis as the ongoing services are provided, i.e. deferred and recognized over the average customer relationship.

Together with subscription fees, basic cable television subscribers are charged a copyright fee for the content received from public broadcasters that is broadcasted over the Company's network. These fees contribute to the cost the Company bears in respect of copyright fees paid to copyright collecting agencies for certain content provided by the public broadcasters and other copyright holders. The Company reports copyright fees collected from cable subscribers on a gross basis as a component of revenue due to the fact that the Company is acting as a principal in the arrangement between the public broadcaster and other copyright holders which does not represent a pass-through arrangement. Indeed, the Company bears substantial risk in setting the level of copyright fees charged to subscribers as well as in collecting such fees.

For multiple element arrangements, the recognition criteria of revenue are applied to the separately identifiable components of the transaction. A component within an arrangement is separated if it has stand-alone value to the customer and if its fair value can be measured reliably. The fair value of the consideration received or receivable is allocated to the separate components of the arrangement using the residual fair value method.

Prior to October 1, 2012, customers were charged a termination fee when they cancelled their subscription before the end of the contractual term. In accordance with the new telecom law applicable from October 1, 2012, the Company no longer charges such termination fees in case of cancellation of a contract by a customer, except in mobile subscription plans in combination with the sale of a handset. Revenue from such termination fees is recognized at the time of the contract cancellation, if and only if collectability of the fee is reasonably assured. If collectability of the termination fee is not reasonably assured at the time of billing, revenue is deferred until cash is received.

Customers may be charged a downgrade fee when they switch to a lower tier service. Generally, the downgrade is not considered to have stand-alone value to the customer and downgrade fees are therefore deemed to be part of the overall consideration for the ongoing service. Revenue from downgrade fees is recognized on a straight-line basis over the longer period of (i) the related subscription contract or (ii) the expected remaining length of the customer relationship.

Digital television customers may rent a set-top box from Telenet. When customers elect to change the type of set-top box that they rent from Telenet, they may be charged a swap fee. The swap to a different type of set-top box is not considered to have stand-alone value to the customer and revenue from swap fees is recognized on a straight-line basis over the shorter period of (i) the expected remaining length of the customer relationship or (ii) the useful life of the set-top box.

Amounts billed for certain premium voice and SMS content are not presented as revenues but are netted against the corresponding expenses, because Telenet carries no legal responsibilities for the collection of these services and acts solely on behalf of the third-party content providers.

5.2.10. Operating expenses

Operating expenses consist of interconnection costs, network operating, maintenance and repair costs and cable programming costs, including employee costs and related depreciation and amortization charges. The Company capitalizes most of its installation costs, including labor costs. Copyright and license fees paid to the holders of these rights and their agents are the primary component of the Company's cable programming costs. Other direct costs include costs that the Company incurs in connection with providing its residential and business services, such as interconnection charges as well as bad debt expense. Network costs consist of costs associated with operating, maintaining and repairing the Company's broadband network and customer care costs necessary to maintain its customer base.

5.2.11. Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and the amount can be reliably measured. Provisions are measured at the Company's best estimate of the expenditure required to settle its liability and are discounted to present value where the effect is material.

A provision for restructuring is recognized when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced to those affected. Future operating losses are not provided for.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

5.2.12. Leases

At inception of an arrangement, including arrangements that convey to the Company the right to use equipment, fibers or capacity for an agreed period of time in return for a series of payments, the Company determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Company the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values.

Subsequently the lease liability is reduced as payments are made and an imputed finance charge on the liability is recognized using the Company's incremental borrowing rate.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the Company. Property and equipment acquired by way of a finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and any impairment losses. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding lease obligations, net of finance charges, are included in long-term debt with the interest element of the finance cost charged to the statement of profit or loss and other comprehensive income over the lease period. All other leases are classified as operating lease payments and recognized in the statement of profit or loss and other comprehensive income on a straight-line basis over the term of the lease.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term in which case they are depreciated over their useful lives.

5.2.13. Income taxes

Income tax expense comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the calculation of taxable profit, and is accounted for using the balance sheet method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction that is not a business combination and that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognized for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized. Current and deferred tax is charged or credited to the statement of profit or loss and other comprehensive income, except when it relates to items charged or credited directly to equity, in which case the current or deferred tax is also dealt with in equity.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

5.2.14. Employee benefits

Pension and other post-employment benefit obligations

The Company provides both defined benefit and defined contribution plans to its employees, directors and certain members of management.

For defined contribution plans, the Company pays fixed contributions into a separate entity. The Company has no obligation, beyond the average minimum guaranteed rate of return as defined by law, to pay further amounts in case the pension fund has insufficient assets to pay all employee benefits relating to current and prior service. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

A defined benefit plan is a post-employment benefit plan that is not a defined contribution plan.

The defined benefit pension plans typically pay benefits to employees at retirement using formulas based upon years of service and compensation rates near retirement. Those schemes are generally funded by payments from the participants and the Company to insurance companies as determined by periodic actuarial calculations.

For defined benefit pension plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. The discount rate is based on the yield at the reporting date on high quality corporate bonds (average yield on AA corporate bonds in euro, benchmarked against the iBoxx € AA Corporates index) taking into account the duration of the Company's obligations.

The net defined benefit liability/(asset) recognized in the balance sheet corresponds to the difference between the defined benefit obligation and the plan assets. In case of a surplus, the net defined benefit (asset) is limited to the present value of future economic benefits available in the form of a reduction in contributions or a cash refund.

Remeasurements of the net defined benefit liability/(asset), which comprise actuarial gains and losses on the defined benefit obligation, the return on plan assets (excluding interest income) and changes in the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI).

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense is recognized in profit or loss.

Past service cost resulting from plan amendments or curtailments is recognized immediately in profit or loss.

The Company also provides post-retirement health care benefits to certain employees. The expected costs of these benefits are accrued over the period of employment using an accounting methodology similar to that for defined benefit pension plans.

Other long term employee benefit obligations

The Company provides long term service awards to its employees. The expected costs of these benefits are accrued over the period of employment using an accounting methodology similar to that for defined benefit plans. Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions, are recognized immediately in profit or loss.

Share-based payments

The Company issues equity-settled share-based payments to certain employees which are measured at fair value at the date of grant. The grant date fair value of options granted to employees is calculated using a Black-Scholes pricing model and recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations. Measurement inputs for the Black-Scholes model include share price on measurement date, exercise price of the instrument, expected volatility, weighted average expected life of the instruments, expected dividends and the risk-free interest rate.

At each balance sheet date, the Company revises its estimates of the number of options that are expected to become exercisable. It recognizes the cumulative impact of the revision of original estimates, if any, in the statement of profit or loss and other comprehensive income, and a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

5.2.15. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in first-out principle, and includes expenditures incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business, less the estimated costs of sale, and a reasonable profit margin based on the effort required to sell the inventories.

5.2.16. Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise warrants and options granted to employees and the CEO.

5.2.17. Finance income and expenses

Finance income mainly comprises interest income on funds invested, changes in the fair value of financial instruments and net gains on financial instruments. Interest income is recognized as it accrues in the statement of profit or loss and other comprehensive income, using the effective interest method.

Finance expense mainly comprises interest expense on loans and borrowings, changes in the fair value of financial instruments and net losses on financial instruments.

Foreign currency gains and losses are reported on a net basis.

5.2.18. Customer acquisition costs

Customer acquisition costs are the directly attributable costs incurred in signing up a new customer. These include, but are not limited to, incentives paid to retailers, commissions paid to external dealers or agents, and sales commissions to the Company's staff.

Customer acquisition costs paid to a party other than the customer are capitalized as intangible assets if and only if the definition and recognition criteria are met, the costs are incremental to the subscriber contracts, and can be measured reliably. As these criteria are generally not met, customer acquisition costs are generally expensed as incurred.

Cash incentives given to customers are not viewed as subscriber acquisition costs, but are recognized as a deduction from revenue.

Benefits in kind given to customers, to the extent they do not represent a separate component of the arrangement, are recognized as an expense in the appropriate periods.

5.2.19. Changes in accounting policies

The Company has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of January 1, 2013.

- IFRS 13 Fair Value Measurement
- Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)
- IAS 19 Employee Benefits (2011)

The nature and effect of the changes are further explained below.

Fair value measurement

IFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other IFRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 Financial Instruments: Disclosures. As a result, the Company has included additional disclosures in this regard (see note 5.3.5).

In accordance with the transitional provisions of IFRS 13, the Company has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurement of the Company's assets and liabilities.

Presentation of items of other comprehensive income

As a result of the amendments to IAS 1, the Company has modified the title of the statement of comprehensive income to the statement of profit or loss and other comprehensive income and will present separately items that would be reclassified to profit or loss in the future from those that would never be.

The adoption of the amendment to IAS 1 has no impact on the recognized assets, liabilities and comprehensive income of the Company.

Defined benefit plans

As a result of IAS 19 (2011), the Company has changed its accounting policy with respect to the basis for determining the income or expense related to the defined benefit plans.

The amendments require remeasurements of the net defined benefit liability / (asset), which comprise actuarial gains and losses on the defined benefit obligation, the return on plan assets (excluding interest income) and changes in the effect of the asset ceiling (if any, excluding interest), to be recognized immediately through other comprehensive income and hence eliminate the "corridor approach". Under IAS 19 (2011), the Company determines the net interest expense (income) for the period on the net defined benefit liability (asset) by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset) at the beginning of the annual period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Furthermore, the defined benefit obligation takes into account taxes on contributions, and administration costs not related to the management of plan assets are recognized to profit or loss.

The impact of the adoption of these amendments is summarized in note 5.2.20 below.

5.2.20. Quantitative impact of changes in accounting policies

The following tables summarize the impact resulting from the amendments to IAS 19 on the Company's consolidated statement of financial position and consolidated statement of profit or loss.

Consolidated statements of financial position

(in thousands of euro)	**December 31, 2012 as restated**	**Impact of IAS19 (2011)**	**December 31, 2012 as reported**	**January 1, 2012 as restated**	**Impact of IAS19 (2011)**	**January 1, 2012 as reported**
Assets						
Non-current assets:						
Property and equipment	1,337,479		1,337,479	1,301,121		1,301,121
Goodwill	1,241,798		1,241,798	1,241,798		1,241,798
Other intangible assets	340,963		340,963	409,484		409,484
Deferred tax assets	42,303		42,303	10,721		10,721
Other assets	11,692	(3,156)	14,848	36,181	(3,082)	39,263
Total non-current assets	**2,974,235**	**(3,156)**	**2,977,391**	**2,999,305**	**(3,082)**	**3,002,387**
Current assets:						
Inventories	17,788		17,788	9,139		9,139
Trade receivables	110,530		110,530	93,623		93,623
Other current assets	89,127		89,127	89,988		89,988
Cash and cash equivalents	906,300		906,300	346,597		348,585
Total current assets	**1,123,745**		**1,123,745**	**539,347**		**539,347**
Total assets	**4,097,980**	**(3,156)**	**4,101,136**	**3,538,652**	**(3,082)**	**3,541,734**

Consolidated statement of profit or loss and other comprehensive income

(in thousands of euro)	December 31, 2012 as restated	Impact of IAS19 (2011)	December 31, 2012 as reported	January 1, 2012 as restated	Impact of IAS19 (2011)	January 1, 2012 as reported
Equity and Liabilities						
Equity:						
Share capital	12,331		12,331	294,190		294,190
Share premium and other reserves	941,587		941,587	1,005,724		1,005,724
Retained loss	(1,674,427)	(127)	(1,674,300)	(1,548,325)	(169)	(1,548,156)
Remeasurements	(6,044)	(6,044)	-	(4,777)	(4,777)	-
Total equity attributable to owners of the Company	**(726,553)**	**(6,171)**	**(720,382)**	**(253,188)**	**(4,946)**	**(248,242)**
Non-controlling interests	6,166		6,166	9		9
Total equity	**(720,387)**	**(6,171)**	**(714,216)**	**(253,179)**	**(4,946)**	**(248,233)**
Non-current liabilities:						
Loans and borrowings	3,770,546		3,770,546	2,904,131		2,904,131
Derivative financial instruments	164,636		164,636	94,093		94,093
Deferred revenue	2,566		2,566	4,380		4,380
Deferred tax liabilities	80,470	(3,286)	83,756	26,567	(2,547)	29,114
Other liabilities	63,042	6,301	56,741	120,009	4,411	115,598
Total non-current liabilities	**4,081,260**	**3,015**	**4,078,245**	**3,149,180**	**1,864**	**3,147,316**
Current liabilities:						
Loans and borrowings	72,486		72,486	55,402		55,402
Trade payables	148,141		148,141	147,341		147,341
Accrued expenses and other current liabilities	380,370		380,370	319,780		319,780
Deferred revenue	81,563		81,563	86,791		86,791
Derivative financial instruments	42,481		42,481	28,877		28,877
Current tax liability	12,066		12,066	4,460		4,460
Total current liabilities	**737,107**		**737,107**	**642,651**		**642,651**
Total liabilities	**4,818,367**	**3,015**	**4,815,352**	**3,791,831**	**1,864**	**3,789,967**
Total Equity and liabilities	**4,097,980**	**(3,156)**	**4,101,136**	**3,538,652**	**(3,082)**	**3,541,734**

Consolidated statement of profit or loss and other comprehensive income

(in thousands of euro)	2012 as restated	Impact of IAS19 (2011)	2012 as reported
Profit for the period			
Revenue	1,488,773	-	1,488,773
Cost of services provided	(852,422)	-	(852,422)
Gross profit	**636,351**	**-**	**636,351**
Selling, general and administrative expenses	(246,667)	42	(246,709)
Operating profit	**389,684**	**42**	**389,642**
Finance income	6,580	-	6,580
Net interest income and foreign exchange gain	6,580	-	6,580
Net gain on derivative financial instruments	-	-	-
Finance expense	(328,898)	-	(328,898)
Net interest expense, foreign exchange loss and other finance expense	(241,876)	-	(241,876)
Net loss on derivative financial instruments	(87,022)	-	(87,022)
Net finance expenses	**(322,318)**	**-**	**(322,318)**
Other income / (loss)	(43)	-	(43)
Profit before income tax	67,323	42	67,281
Income tax expense	(34,046)	-	(34,046)
Profit for the period	**33,277**	**42**	**33,235**
Other comprehensive income for the period, net of income tax			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability/(asset)	(1,267)	(1,267)	-
Other comprehensive income for the period, net of income tax	**(1,267)**	**(1,267)**	**-**
Total comprehensive income for the period	**32,010**	**(1,225)**	**33,235**
Profit attributable to:	**33,235**		**33,235**
Owners of the Company	33,228		33,228
Non-controlling interests	7		7
Total comprehensive income for the period, attributable to:	**32,010**	**(1,225)**	**33,235**
Equity owners of the Company	32,003	(1,225)	33,228
Non-controlling interests	7		7
Earnings per share			
Basic earnings per share in €	0.29		0.29
Diluted earnings per share in €	0.29		0.29

5.2.21. Forthcoming requirements

Standards, annual improvements, amendments and interpretations to existing standards that are not yet effective for the year ended December 31, 2013 and have not been early adopted by the Company

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning after January 1, 2014, or later periods, but the Company has not early adopted them. The adoption of these standards, amendments and interpretations is not expected to have a material impact on the Company's financial result or financial position:

IFRS 9 *Financial Instruments* (effective date to be determined by the IASB).

This Standard introduces new requirements for the classification, measurement and derecognition of

- financial assets: measured at amortized cost (debt instruments if held to collect contractual cash flows being principal and interest) or fair value (equity instruments);
- financial liabilities: changes in fair value of financial liabilities designated at fair value through profit or loss attributable to changes in credit risk are presented in OCI unless this would create or enlarge an accounting mismatch in profit or loss.

IFRS 10 *Consolidated Financial Statements* (effective for annual periods beginning on or after January 1, 2014, with retrospective application) introduces a new approach to determining which investees should be consolidated. Under IFRS 10, there is only one basis for consolidation that is control. In addition, IFRS 10 includes a new definition of control that contains three elements:

- power over an investee;
- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect the amount of the investor's returns.

IFRS 11 *Joint Arrangements* (effective for annual periods beginning on or after January 1, 2014, with retrospective application) deals with how a joint arrangement of which two or more parties have joint control should be classified. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting.

IFRS 12 *Disclosure of Interests in Other Entities* (effective for annual periods beginning on or after January 1, 2014, with retrospective application) contains more extensive disclosure requirements for entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities.

Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities (Amendments to IFRS 10, IFRS 11 en IFRS 12) (effective for annual periods beginning on or after January 1, 2014, with retrospective application) limits the possible restatement as a result of the application of IFRS 10, IFRS 11 and IFRS 12 to one year.

IAS 28 *Investments in Associates and Joint Ventures* (effective for annual periods beginning on or after January 1, 2014) makes the following amendments:

- IFRS 5 applies to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale; and
- on cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture or vice versa, the entity does not remeasure the retained interest.

Annual improvements to IFRS 2010-2012 cycle (effective for annual periods beginning on or after January 1, 2015) is a collection of minor improvements to 6 existing standards.

Annual improvements to IFRS 2011-2013 cycle (effective for annual periods beginning on or after January 1, 2015) is a collection of minor improvements to 4 existing standards.

Amendments to IAS19 Employee benefits – Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after January 1, 2015) introduce a relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties.

Amendments to IAS36 Impairment of assets – Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after January 1, 2014, with retrospective application) requires the recoverable amount of every cash-generating unit to which significant goodwill or indefinite-lived intangible assets have been allocated to be disclosed only when an impairment loss has been recognized or reversed.

IFRIC 21 *Levies* (effective for annual periods beginning on or after January 1, 2014, with retrospective application) provides guidance on accounting for levies in accordance with the requirements of IAS37 Provisions, Contingent Liabilities and Contingent Assets.

5.3. Risk management

5.3.1. General

The Company is exposed to various risks within the context of its normal business activities, which could have a material adverse impact on its business, prospects, results of operations and financial condition. Therefore, controlling these risks is very important for the management of the Company. To support its growth and help the management and the Audit Committee to deal with the challenges the Company faces, the Company has set up a risk management and internal control system. The purpose of the internal control and risk management framework is to enable the Company to meet its objectives. The most important components of this system are described in our Corporate Governance Statement under 7.4 Internal control and risk management systems.

The Company conducts its business in a rapidly changing environment that gives rise to numerous risks and uncertainties that it cannot control. Please refer to 3 Risk factors for more detailed information.

Telenet is involved in a number of legal procedures risen in the normal course of operations, as Telenet operates within a highly competitive environment. Legal proceedings may arise in connection with such as intellectual property, advertising campaigns, product offerings and acquisition opportunities. Telenet discusses in note 5.24.1 certain procedures, which are still pending and to which the Company is involved. Outside the procedures described in note 5.24.1, Telenet does not expect the legal proceedings in which it is a party or by which it is threatened to have a material adverse effect on the activities or consolidated financial position. However, the Company notes that the outcome of legal proceedings can be extremely difficult to predict, and Telenet offers therefore no guarantees.

Identification of risks

In the risk identification process, Telenet takes a broad range of risks into account that could have a current and/or future impact on the Company. The Senior Leadership Team monitors the most important identified risks on a quarterly basis. The risks are first listed according to importance, and are then mapped on the basis of the category (A), the owner (B) and the control measures (C).

A. Telenet distinguishes the following categories:

- Corporate governance
- Customer satisfaction
- Customer support
- External Factors
- Finance
- HR
- Innovation
- IT and network operations
- Legislation and regulations
- Marketing/Communication
- Network technology
- Outsourcing
- Production life cycle management
- Reporting
- Sales
- Security
- Strategy
- Suppliers
- Other

B. The risk owner has the following responsibilities:

- Defining how the risk should be monitored, in other words making a decision regarding the risk management measures;
- Identifying gaps in the supervision (lack of control, set- up/ implementation of control);
- Supporting and monitoring the implementation of action plans;
- Re-evaluating the risk coverage on a regular basis.

C. Risks can be accepted, mitigated, avoided or transferred:

- Risk management measures are documented and, in the case of risk mitigation, it may be necessary to define action plans in order to enhance the control.
- Action plans are documented in the risk management measures that clearly indicate who/what/when.
- The risk management measures include a target date for all action plans.

The following items are reviewed in terms of the follow-up on the action plans:

- Progress status
  - Not yet started
  - Under development
  - Completed
  - Removed (the reason for removing an action plan must be provided)

- Follow-up
  - Per quarter for each of the main risks for Telenet
  - Annually for other risks that have been assessed as relevant
- Progress assessment

The use of a centralized risk register incorporating all information relating to any relevant risk simplifies the analysis of the correlation between the registered risks, the determination of the priority of the risk management measures and the identification of the synergy between the risk management actions.

5.3.2. Credit risk

Qualitative disclosures

Credit risk encompasses all forms of counterparty exposure, i.e. where counterparties may default on their obligations to the Company in relation to lending, hedging, settlement and other financial activities. The Company is exposed to credit risk from its operating activities and treasury activities.

The largest share of the gross assets subject to credit risk from operating activities are trade receivables from residential and small business customers located throughout Belgium. Accordingly, the Company has no significant concentration of credit risk. The risk of material loss from non-performance from these customers is not considered likely. The Company establishes reserves for doubtful accounts receivable to cover the potential loss from non-payment by these customers.

As for credit risk on financial instruments, the Company maintains credit risk policies with regard to its counterparties to minimize overall credit risk. These policies include an assessment of a potential counterparty's financial condition, credit rating and other credit criteria and risk mitigation tools as deemed appropriate. The Company maintains a policy of entering into such transactions only with highly rated European and US financial institutions. To minimize the concentration of counterparty credit risk, the Company enters into derivative transactions with a portfolio of financial institutions. Likewise, cash and cash equivalents are placed with highly rated financial institutions and only highly rated money market funds are used.

Quantitative disclosures

The Company considers its maximum exposure to credit risk to be as follows:

(in thousands of euro)	**December 31, 2013**	**December 31, 2012**
Cash and cash equivalents (including money market funds, certificates of deposits)	214,103	906,300
Trade receivables	122,028	115,437
Derivative financial instruments	66	63
Receivables from sale of sports broadcasting rights	15,805	27,672
Outstanding guarantees to third parties for own liabilities (cash paid)	2,165	2,724
Total	**354,167**	**1,052,196**

More detailed financial information has been disclosed under the respective notes to the consolidated financial statements of the Company.

5.3.3. Liquidity risk

Qualitative disclosures

The principal risks to the Company's sources of liquidity are operational risks, including risks associated with decreased pricing, reduced subscriber growth, increased marketing costs and other consequences of increasing competition and potentially adverse outcomes with respect to the Company's litigations as described in note 5.24.1. Telenet's ability to service its debt and to fund its ongoing operations will depend on its ability to generate cash. Although the Company anticipates generating positive cash flow after deducting interest and taxes, the Company cannot assure that this will be the case. The Company may not generate sufficient cash flow to fund its capital expenditures, ongoing operations and debt obligations.

Telenet Group Holding NV is a holding company with no source of operating income. It is therefore dependent on capital raising abilities and dividend payments from subsidiaries to generate funds. The terms of the 2010 Amended Senior Credit Facility contain a number of significant covenants that restrict the Company's ability, and the ability of its subsidiaries to, among other things, pay dividends or make other distributions, make capital expenditures, incur additional debt and grant guarantees. The agreements and instruments governing its debt contain restrictions and limitations that could adversely affect the Company's ability to operate its business.

Telenet believes that its cash flow from operations and its existing cash resources, together with available borrowings under the 2010 Amended Senior Credit Facility, will be sufficient to fund its currently anticipated working capital needs, capital expenditures and debt service requirements.

In February 2012, the Company issued an additional Facility under its 2010 Amended Senior Credit Facility (Term Loan T) for an aggregate amount of € 175.0 million. As per the agreement, this Term Loan, with a maturity date of December 31, 2018, carries a floating interest rate of 3.50% over the EURIBOR rate. In August 2012, the Company issued € 450.0 million principal amount of Senior Secured Fixed Rate Notes due 2022 at 6.25% and € 250.0 million principal amount of Senior Secured Fixed Rate Notes due 2024 at 6.75% through a financing company that the Company consolidates.

For the year ended December 31, 2013, no additional financing or refinancing activities occurred.

Under the 2010 Amended Senior Credit Facility the Company has access to the additional committed Revolving Facility of € 158.0 million, subject to compliance with certain financial covenants and other conditions, with availability up to and including December 31, 2016.

The 2010 Amended Senior Credit Facility is discussed in greater detail in note 5.12.1 and 5.12.2 of the consolidated financial statements of the Company.

In order to hedge its exposure to floating rate debt, the Company entered into interest rate cap, collar and swap contracts for a total nominal amount of € 3.3 billion at December 31, 2013.

The Company has implemented a policy on financial risk management. With respect to liquidity and funding risks, the key objectives can be summarized as:

- ensure that at all times the Company has access to sufficient cash resources to meet its financial obligations as they fall due and to provide funds for capital expenditure and investment opportunities as they arise;
- ensure that the Company has sufficient excess liquidity to ensure that the Company can meet its non-discretionary financial obligations in the event of unexpected business disruption;
- ensure compliance with borrowing facilities covenants and undertakings.

A minimum level of cash and cash equivalents is maintained in order to meet unforeseen cash expenses. The Company's funding requirements and funding strategy are reviewed annually.

A limit has been set regarding the maximum amount that can be invested per derivative product type. On top of this limit, the authorized financial counterparties have been determined and limits have been set for each counterparty by reference to their long-term credit rating.

Quantitative disclosures

The Company's aggregate contractual obligations as at December 31, 2013 and 2012 were as follows:

Situation as per December 31, 2013 (in thousands of euro)	**Total**	**Less than 1 year**	**2 years**	**3 years**	**4 years**	**5 years**	**After 5 years**
Contractual obligations							
Long term debt (1) (3)	4,986,518	179,487	179,284	278,418	598,357	333,356	3,417,616
Finance lease obligations (1) (3)	478,764	56,381	52,702	51,456	50,164	47,559	220,502
Operating lease obligations	40,743	19,885	7,400	6,064	2,514	1,864	3,016
Other contractual obligations (2)	1,376,988	187,539	130,440	91,341	62,784	55,452	849,432
Interest Rate Derivatives (3)	250,540	44,032	42,315	40,866	30,514	40,680	52,133
Foreign Exchange Derivatives	31,184	31,184	-	-	-	-	-
Accrued expenses and other current liabilities (4)	244,697	244,697	-	-	-	-	-
Trade payables	141,826	141,826	-	-	-	-	-
Total contractual obligations	**7,551,260**	**905,031**	**412,141**	**468,145**	**744,333**	**478,911**	**4,542,699**

Payments due by period

Situation as per December 31, 2012 (in thousands of euro)	**Total**	**Less than 1 year**	**2 years**	**3 years**	**4 years**	**5 years**	**After 5 years**
Contractual obligations							
Long term debt [(1) (3)]	5,132,545	174,711	174,396	174,082	273,278	592,645	3,743,433
Finance lease obligations [(1) (3)]	458,562	49,669	52,074	47,944	46,792	45,595	216,488
Operating lease obligations	42,056	20,453	7,077	5,615	4,252	1,495	3,164
Other contractual obligations [(2)]	1,398,374	246,216	114,644	67,387	51,207	43,680	875,240
Interest Rate Derivatives [(3)]	306,450	45,899	45,899	44,156	42,686	31,773	96,037
Foreign Exchange Derivatives	28,037	28,037	-	-	-	-	-
Accrued expenses and other current liabilities [(4)]	288,171	288,171	-	-	-	-	-
Trade payables	148,141	148,141	-	-	-	-	-
Total contractual obligations	**7,802,336**	**1,001,297**	**394,090**	**339,184**	**418,215**	**715,188**	**4,934,362**

1 Interest included.
2 Represents fixed minimum commitments under certain programming and purchase agreements and amounts associated with certain operating costs resulting from the Interkabel acquisition, commitments under the operating agreement with Norkring (note 5.12.6) as well as commitments related to certain programming and purchase agreements.
3 Contractual obligations with a floating interest rate are based on the rate outstanding as at December 31.
4 Excluding compensation and employee benefits, VAT and withholding taxes and the current portion of the Interkabel out of market component.

5.3.4. Market risk

The Company is exposed to market risks relating to fluctuations in interest rates and foreign exchange rates, primarily between the US dollar and euro. The Company uses financial instruments to manage its exposure to interest rate and foreign exchange rate fluctuations. Each of these risks is discussed below.

Qualitative disclosures on foreign exchange risk

The Company undertakes certain transactions in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts.

The Company's functional currency is the euro. However, the Company conducts, and will continue to conduct, transactions in currencies other than the euro, particularly the US dollar. About 4.4% of the Company's costs of operations (primarily the costs of network hardware equipment, software and premium cable television rights) were denominated in US dollars, while all of its revenue was generated in euros. The Company has significant US dollar obligations with respect to the contracts it is party to for the supply of premium content. Decreases in the value of the euro relative to the US dollar would increase the cost in euro of the Company's US dollar denominated costs and expenses, while increases in the value of the euro relative to the US dollar would have the reverse effect.

The Company has historically covered a portion of its US dollar cash outflows arising on anticipated and committed purchases through the use of foreign exchange derivative instruments. The Company uses forward foreign exchange contracts to hedge the exchange rate risk arising from:

- purchases of goods and services in foreign currency;
- capital equipment priced in foreign currency or subject to price changes due to movements in exchange rates;
- payments of royalties, franchise or license fees denominated in a foreign currency.

Although the Company takes steps to protect itself against the volatility of currency exchange rates, there is a residual risk that currency risks due to volatility in exchange rates could have a material adverse effect on the Company's financial condition and results of operations.

The outstanding forward foreign exchange derivatives as of December 31, 2013 and 2012, are disclosed in more detail in note 5.13 to the consolidated financial statements of the Company.

Qualitative disclosures on interest rate risk

The Company is mainly exposed to interest rate risk arising from borrowings at floating interest rates, interest bearing investments and finance leases. The Company limits its exposure to floating interest rates through the use of derivative instruments. The risk is managed by maintaining an appropriate mix of interest rate swap contracts, interest rate cap contracts, interest rate collar contracts and basis swap contracts.

The Company implemented a policy on financial risk management. With respect to interest rate risk, the key objectives can be summarized as:

- only long term interest exposures (+ 1 year) are managed;
- cash debt servicing costs, from movements in interest rates, are minimized;
- all derivative instruments used are designated to actual interest exposures and are authorized under the policy;
- interest cover ratios included in borrowing covenants are complied with.

As of December 31, 2013, the Company carried a total debt balance (including accrued interest) of € 3,868.3 million, of which € 1,404.6 million principal amount is owed under the 2010 Amended Senior Credit Facility (including € 175.0 million relating to the Term Loan T issued in February 2012), € 1,300.0 million principal amount is related to the four Notes issued in 2010 and 2011, and € 700.0 million principal amount relates to the Senior Secured Fixed Rate Notes due 2022 and 2024 issued in August 2012. The Company's total debt balance at December 31, 2013 also included € 45.9 million for the outstanding portion of the 3G mobile spectrum. The remainder primarily represents the capital lease obligations associated with the Interkabel Acquisition. On December 31, 2013, fixed interest rates applied to 52.4% of the Company's total debt (2012: 52.2%).

As referred to above, the outstanding interest rate derivatives as of December 31, 2013 and 2012, are disclosed in more detail in note 5.13 to the consolidated financial statements of the Company.

Quantitative disclosures

Interest rate sensitivity testing

For interest rate derivatives and floating rate debt, the Company has used a sensitivity analysis technique that measures the change in the fair value or interest expense of these financial instruments for hypothetical changes in the relevant base rate applicable at year-end, holding all other factors constant.

The sensitivity analysis is for illustrative purposes only – in practice, market rates rarely change in isolation and are likely to be interdependent. A change of 25 basis points in interest rates at the reporting date would have increased (decreased) the profit for the period and would have changed the fair values of the Company's interest rate derivatives as set out in the table below:

(in thousands of euro)	2013		2012	
	+0.25%	-0.25%	+0.25%	-0.25%
Interest				
2010 Amended Senior Credit Facility	(3,512)	3,512	(3,442)	3,442
Senior Secured Floating Rate Notes	(1,011)	1,011	(1,014)	1,014
Finance leases	18	(18)	24	(24)
Interest rate derivatives	(4,575)	4,575	(6,010)	6,010
	(9,080)	**9,080**	**(10,442)**	**10,442**
Changes in fair value				
Swaps	16,397	(16,397)	19,224	(19,224)
Caps	56	(26)	73	(33)
Collars	7,233	(7,971)	9,447	(10,662)
	23,686	**(24,394)**	**28,744**	**(29,919)**
Total	**14,606**	**(15,314)**	**18,302**	**(19,477)**

The following table summarizes the Company's interest obligations under the outstanding floating rate indebtedness and interest rate derivatives. The amounts generated from this sensitivity analysis are forward-looking estimates of market risk assuming certain market conditions. Actual results in the future may differ materially from those projected results due to the inherent uncertainty of global financial markets.

Interest payments due by period

Situation as per December 31, 2013 +0.25% (in thousands of euro)	Less than 1 year	2 years	3 years	4 years	5 years	After 5 years
2010 Amended SCF Term Loan Q	16,318	16,318	16,363	9,478	-	-
2010 Amended SCF Term Loan R	33,272	33,272	33,363	33,272	33,272	19,325
2010 Amended SCF Term Loan T	7,069	7,069	7,088	7,069	7,069	-
€ 400 million Senior Secured Notes due 2021	17,853	17,853	17,901	17,853	17,853	43,873
Finance Lease	33	16	11	5	-	-
Interest Derivatives	39,457	37,804	36,406	36,855	37,127	38,357
Total	**114,002**	**112,332**	**111,132**	**104,532**	**95,321**	**101,555**

Interest payments due by period

Situation as per December 31, 2013 -0.25% (in thousands of euro)	Less than 1 year	2 years	3 years	4 years	5 years	After 5 years
2010 Amended SCF Term Loan Q	14,133	14,133	14,172	8,209	-	-
2010 Amended SCF Term Loan R	29,223	29,223	29,303	29,223	29,223	16,973
2010 Amended SCF Term Loan T	6,182	6,182	6,199	6,182	6,182	-
€ 400 million Senior Secured Notes due 2021	15,825	15,825	15,868	15,825	15,825	38,890
Finance Lease	12	6	4	2	-	-
Interest Derivatives	48,608	46,826	45,327	44,781	44,098	45,435
Total	**113,983**	**112,195**	**110,873**	**104,222**	**95,328**	**101,298**

Interest payments due by period

Situation as per December 31, 2012 +0.25% (in thousands of euro)	Less than 1 year	2 years	3 years	4 years	5 years	After 5 years
2010 Amended SCF Term Loan Q	13,950	13,950	13,950	13,989	6,918	-
2010 Amended SCF Term Loan R	29,285	29,285	29,285	29,365	29,285	43,807
2010 Amended SCF Term Loan T	6,851	6,851	6,851	6,869	6,851	6,851
€ 400 million Senior Secured Notes due 2021	17,471	17,471	17,471	17,519	17,471	61,126
Finance Lease	48	29	14	10	4	-
Interest Derivatives	41,324	41,324	39,645	38,226	38,472	78,350
Total	**108,929**	**108,910**	**107,216**	**105,978**	**99,001**	**190,134**

Interest payments due by period

Situation as per December 31, 2012 -0.25% (in thousands of euro)	Less than 1 year	2 years	3 years	4 years	5 years	After 5 years
2010 Amended SCF Term Loan Q	12,019	12,019	12,019	12,052	5,960	-
2010 Amended SCF Term Loan R	25,612	25,612	25,612	25,682	25,612	38,312
2010 Amended SCF Term Loan T	5,963	5,963	5,963	5,980	5,963	5,963
€ 400 million Senior Secured Notes due 2021	15,444	15,444	15,444	15,486	15,444	54,031
Finance Lease	13	8	4	3	1	-
Interest Derivatives	50,474	50,474	48,667	47,147	46,398	92,398
Total	**109,525**	**109,520**	**107,709**	**106,350**	**99,378**	**190,704**

For fixed rate debt, changes in interest rates generally affect the fair value of the debt instrument, but not the Company's earnings or cash flows. The Company does not currently have any obligation to redeem 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 the Company would be required to refinance such debt.

Foreign currency sensitivity testing

The Company is mainly exposed to market risks relating to fluctuations in foreign exchange rates between the US dollar and euro.

The following table details the Company's sensitivity to a 10% increase and decrease of the relevant foreign exchange rate. We utilize 10% as the sensitivity rate when reporting foreign currency risk internally as it represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis primarily includes the effect on Telenet's US dollar denominated payables (primarily payables associated with network hardware equipment, software and premium cable television rights).

(in thousands of euro)

December 31, 2013	**Foreign currency**	**Amount in foreign currency**	**10% increase**		**10% decrease**	
Trade payables	USD	7,064	(570)	On profit or loss	466	On profit or loss
	GBP	13	(2)	On profit or loss	1	On profit or loss

(in thousands of euro)

December 31, 2012	**Foreign currency**	**Amount in foreign currency**	**10% increase**		**10% decrease**	
Trade payables	USD	5,817	(490)	On profit or loss	401	On profit or loss
	GBP	13	(2)	On profit or loss	1	On profit or loss

5.3.5. Capital Risk

The Company manages its capital to ensure that the Company and its subsidiaries will be able to continue as a going concern in order to provide sustainable and attractive returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital risk on the basis of the net leverage ratio. The net leverage ratio is calculated as per the 2010 Amended Senior Credit Facility definition, using net total debt, excluding (a) subordinated shareholder loans, (b) capitalized elements of indebtedness under the Clientele and Annuity Fees, (c) any finance leases entered into on or prior to August 1, 2007, and (d) any indebtedness incurred under the network lease entered into with the pure intermunicipalities up to a maximum aggregate amount of € 195.0 million, divided by last two quarters' annualized EBITDA. The outstanding balance of the 2010 Amended Senior Credit Facility and outstanding cash balance resulted in a slightly higher net leverage ratio at December 31, 2013 compared to December 31, 2012. The calculation of the consolidated annualized EBITDA excludes the DTT-related restructuring charge of € 34.8 million the Company incurred in the fourth quarter of 2013. The increase in the net leverage ratio reflected the payment of the extraordinary dividend to shareholders in early May 2013 for an aggregate amount of € 905.2 million. The Company's current net leverage ratio is significantly below the covenant of 6.0x and the availability test of 5.0x under the 2010 Amended Senior Credit Facility.

Under the 2010 Amended Senior Credit Facility the Company has access to the additional committed Revolving Facility of € 158.0 million, subject to compliance with the covenants mentioned above, with availability up to and including December 31, 2016.

5.3.6. Financial instruments: fair values

Accounting classifications and fair value

The fair values of financial assets and financial liabilities, together with the carrying amounts in the consolidated statement of financial position and their levels in the fair value hierarchy are summarized in the table below. The fair value measurements are categorized into different levels in the fair value hierarchy based on the inputs used in the valuation techniques.

The following tables show the carrying amounts and fair values of financial assets and liabilities, including their levels of fair value hierarchy.

The table below does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

December 31, 2013 (in thousands of euro)	Note	Carrying amount	Fair value	For financial instruments measured at fair value		
				Level 1	Level 2	Level 3
Financial assets						
Financial assets carried at fair value						
Derivative financial assets	5.13	66	66	-	66	-
Total financial assets carried at fair value		**66**	**66**	**-**	**66**	**-**
Financial liabilities						
Financial liabilities carried at fair value						
Derivative financial liabilities	5.13	150,809	150,809	-	150,809	-
Total financial liabilities carried at fair value		**150,809**	**150,809**	**-**	**150,809**	**-**
Financial Liabilities carried at amortized cost						
Loans, borrowings and finance lease liabilities (excluding deferred financing fees)	5.12					
2010 Amended Senior Credit Facility		1,405,117	1,419,561	-	1,419,561	-
Senior Secured Fixed Rate Notes		1,629,259	1,742,262	-	1,742,262	-
Senior Secured Floating Rate Notes		400,738	402,878	-	402,878	-
Finance lease obligations		358,020	304,525	-	304,525	-
Clientele fee > 20 years		83,097	64,238	-	64,238	-
3G Mobile Spectrum		45,879	36,845	-	36,845	-
Total financial liabilities carried at amortized cost		**3,922,110**	**3,970,309**	**-**	**3,970,309**	**-**

December 31, 2012 *(in thousands of euro)*	Note	Carrying amount	Fair value	For financial instruments measured at fair value		
				Level 1	Level 2	Level 3
Financial assets						
Financial assets carried at fair value						
Derivative financial assets	5.13	63	63	-	63	-
Total financial assets carried at fair value		**63**	**63**	**-**	**63**	**-**
Financial liabilities						
Financial liabilities carried at fair value						
Derivative financial liabilities	5.13	207,117	207,117	-	207,117	-
Total financial liabilities carried at fair value		**207,117**	**207,117**	**-**	**207,117**	**-**
Financial Liabilities carried at amortized cost						
Loans, borrowings and finance lease liabilities (excluding deferred financing fees)	5.12					
2010 Amended Senior Credit Facility		1,404,966	1,399,365	-	1,399,365	-
Senior Secured Fixed Rate Notes		1,628,975	1,737,100	-	1,737,100	-
Senior Secured Floating Rate Notes		400,631	400,631	-	400,631	-
Finance lease obligations		339,596	301,550	-	301,550	-
Clientele fee > 20 years		76,618	69,342	-	69,342	-
3G Mobile Spectrum		53,279	43,568	-	43,568	-
Total financial liabilities carried at amortized cost		**3,904,065**	**3,951,556**	**-**	**3,951,556**	**-**

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring level 2 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	**Valuation technique**	**Significant unobservable inputs**	**Inter-relationship between significant unobservable inputs and fair value measurements**
Interest rate derivatives	Discounted cash flows: the fair value of the interest rate derivatives is calculated by the Company based on swap curves flat, taking into account the credit risk of both the Company and the respective counterparties to the instruments. The Company also compares the fair values thus calculated to the respective instruments' fair value as provided by the counterparty.	The credit risk of both the Company and the respective counterparties to the instruments.	The estimated fair value would increase (decrease) if: - the credit risk of the company were lower (higher) - the credit risk of the countercompany were higher (lower).
Foreign exchange forwards and embedded derivatives	Discounted cash flows: the fair value of forward exchange contracts is calculated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate. This calculation is compared to the listed market price, if available.	Not applicable.	Not applicable.

Financial instruments not measured at fair value

Type	**Valuation technique**	**Significant unobservable inputs**	**Inter-relationship between significant unobservable inputs and fair value measurements**
Loans, borrowings and finance lease liabilities: - 2010 Amended Senior Credit Facility - Senior Secured Fixed Rate Notes - Senior Secured Floating Rate Notes	Market comparison technique: The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.	Not applicable.	Not applicable.
Loans, borrowings and finance lease liabilities: - Finance lease obligations - Clientele fee > 20 years - 3G Mobile spectrum	Discounted cash flows.	Discount rate.	The estimated fair value would increase (decrease) if: - the discount rate were lower (higher).

During the year ended December 31, 2013, no financial assets or liabilities have been transferred between the levels of the fair value hierarchy.

5.4. Property and equipment

(in thousands of euro)	Land, buildings, and leasehold improvements	Network	Construction in progress	Furniture, equipment, and vehicles	Total
Cost					
At January 1, 2012	**106,080**	**2,972,016**	**97,820**	**64,007**	**3,239,923**
Additions	768	1,078	299,338	767	301,951
Transfers	2,586	270,181	(265,856)	5,324	12,235
Disposals	(680)	(16,485)	(300)	(21)	(17,486)
Write off of fully depreciated assets	(365)	(900,292)	-	(19,958)	(920,615)
At December 31, 2012	**108,389**	**2,326,498**	**131,002**	**50,119**	**2,616,008**
Additions	403	-	281,575	198	282,176
Transfers	3,333	345,747	(348,798)	4,401	4,683
Disposals	-	(4,926)	-	(37)	(4,963)
Write off of fully depreciated assets	-	(304,957)	-	(3,474)	(308,431)
At December 31, 2013	**112,125**	**2,362,362**	**63,779**	**51,207**	**2,589,473**
Accumulated Depreciation					
At January 1, 2012	**29,182**	**1,857,965**	**-**	**51,655**	**1,938,802**
Depreciation charge for the year	5,600	248,508	-	4,954	259,062
Transfers	-	12,941	-	-	12,941
Disposals	(680)	(10,846)	-	(135)	(11,661)
Write off of fully depreciated assets	(365)	(900,292)	-	(19,958)	(920,615)
At December 31, 2012	**33,737**	**1,208,276**	**-**	**36,516**	**1,278,529**
Depreciation charge for the year	5,791	220,469	-	5,389	231,649
Transfers	1,337	3,158	-	111	4,606
Disposals	-	(2,896)	-	(37)	(2,933)
Write off of fully depreciated assets	-	(304,957)	-	(3,474)	(308,431)
At December 31, 2013	**40,865**	**1,124,050**	**-**	**38,505**	**1,203,420**
Carrying Amount					
At December 31, 2013	71,260	1,238,312	63,779	12,702	1,386,053
At December 31, 2012	74,652	1,118,222	131,002	13,603	1,337,479
Carrying Amount of Finance Leases included in Property and Equipment					
At December 31, 2013	29,704	273,112	-	-	302,816
At December 31, 2012	32,398	177,031	-	-	209,429

The Company assesses the estimated useful lives of its property and equipment each reporting period to determine whether events or circumstances warrant a revision of these estimated useful lives. Based on the results of the Company's periodic review of the useful lives of its assets, the Company changed the useful life for fiber network assets and associated capitalized construction costs from 20 to 30 years, prospectively as from January 1, 2013.

For further information regarding finance lease obligations, we refer to note 5.12.6 to the consolidated financial statements of the Company.

For further information regarding assets pledged as security, we refer to note 5.12.5.

For the year ended December 31, 2013, the Company removed € 308.4 million of gross cost and accumulated depreciation related to fully depreciated assets which are no longer used by the Company (€ 920.6 million for the year ended December 31, 2012).

Disposals of property and equipment for the year ended December 31, 2013 mainly consisted of:

- Sale of hard disks from recycled HD Digicorders with a zero net book value, resulting in a gain on disposal of € 1.4 million;
- Sale of set-top boxes with a net book value of € 1.7 million, with no gain or loss on disposal; and
- Sale of scrap material with a zero net book value, resulting in a gain on disposal of € 1.1 million.

Disposals of property and equipment for the year ended December 31, 2012 mainly consisted of:

- Sale of HD cards with a net book value of € 3.4 million, resulting in a loss on disposal of € 2.0 million; and
- Sale of set-top boxes with a net book value of € 1.3 million, resulting in a gain on disposal of € 1.0 million.

The Company determined that its property and equipment constitute a single cash generating unit for the purpose of impairment testing.

5.5. Goodwill

Goodwill increased marginally compared to December 31, 2012 and stood at € 1,241.8 million at December 31, 2013. In the year ended December 31, 2013, the Company acquired Magrina S.à r.l. and Ulana Business Management Ltd, resulting in the following changes to goodwill:

(in thousands of euro)	
January 1, 2013	**1,241,798**
Acquisition of subsidiaries	
Ulana Business Management Ltd	2
Magrina Sàrl	13
December 31, 2013	**1,241,813**

The Company performed its annual review for impairment during the third quarter of 2013 and 2012, respectively. Goodwill was allocated to one cash generating unit. The recoverable amount of the cash generating unit was based on its value in use and was determined by discounting the future cash flows to be generated from its continuing use (Discounted Cash Flow method). The value in use of the cash generating unit in the year ended December 31, 2013 was determined in a similar manner to the year ended December 31, 2012.

The key assumptions for the value in use calculations used to determine the recoverable amount are those regarding the discount rates and expected changes to selling prices, product offerings, direct costs, EBITDA margins and terminal growth rates. The discount rate used is a pre-tax measure estimated based on past experience, and industry average weighted cost of capital. Changes in selling practices and direct costs are based on past practices and expectations of future changes in the market. The calculation uses cash flow projections based on financial budgets approved by management, the Company's Long-Range Plan through 2018, and a pre-tax discount rate of 10.2% (10.2% for the year ended December 31, 2012) based on current market assessments of the time value of money and the risks specific to the Company. The development of the Long-Range Plan relies on a number of assumptions, including:

- market growth, the evolution of the Company's market share and the resulting trends in the number of subscribers;
- the product mix per subscriber;
- the average revenue per subscriber;
- the expected evolution of various direct and indirect expenses;
- the expected evolution in other variable and fixed costs;
- the estimated future capital expenditure (excluding capital expenditure that improves or enhances the Company's assets' performance).

The assumptions were derived mainly from:

- available historic data;
- external market research and observations with respect to e.g. inflation, changes in the remuneration index, evolutions of the number of households, connection points, etc.;
- internal market expectations based on trend reports, the current state of important negotiations, etc.

For the year ended December 31, 2013, as well as for the year ended December 31, 2012, cash flows beyond the five-year period have been extrapolated using no growth rate, based on historical data and macro-economic conditions. This growth rate does not exceed the long-term average growth rate for the industry as published periodically in the Bulletins of the European Central Bank (ECB).

The Discounted Cash Flow calculation for determining the value in use and net recoverable amount mentioned above was reviewed for reasonableness by comparing the result of the calculation to the market capitalization of the Company.

The key assumptions used are reviewed and updated on a yearly basis by the Company's management. Taking into account the considerable excess of the cash generating unit's recoverable amount over its carrying amount, and based on sensitivity testing performed, management is of the opinion that any reasonably possible changes in key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed the recoverable amount at December 31, 2013.

5.6. Other intangible assets

(in thousands of euro)	Network user rights	Trade name	Software	Customer relationships	Broadcasting rights	Other	Subtotal	Broadcasting rights for resale purposes	Total
Cost									
At January 1, 2012	**102,222**	**121,514**	**297,400**	**229,078**	**111,233**	**21,125**	**882,572**	**-**	**882,572**
Additions	267	-	41,662	-	9,348	-	51,277	1,455	52,732
Disposals	-	-	(273)	-	-	-	(273)	(1,455)	(1,728)
Write-off of fully amortized assets	(267)	-	(23,506)	(16,302)	(11,793)	-	(51,868)	-	(51,868)
At December 31, 2012	**102,222**	**121,514**	**315,283**	**212,776**	**108,788**	**21,125**	**881,708**	**-**	**881,708**
Additions	267	-	59,685	-	30,832	-	90,784	10,052	100,836
Disposals	-	-	(484)	-	-	-	(484)	(10,052)	(10,536)
Write-off of fully amortized assets	(267)	-	(7,671)	-	(10,568)	-	(18,506)	-	(18,506)
At December 31, 2013	**102,222**	**121,514**	**366,813**	**212,776**	**129,052**	**21,125**	**953,502**	**-**	**953,502**
Accumulated Amortization									
At January 1, 2012	**34,143**	**87,153**	**214,546**	**110,940**	**23,903**	**2,403**	**473,088**	**-**	**473,088**
Amortization charge of the year	7,667	8,089	43,633	20,364	39,595	183	119,531	-	119,531
Disposals	-	-	(6)	-	-	-	(6)	-	(6)
Write-off of fully amortized assets	(267)	-	(23,506)	(16,302)	(11,793)	-	(51,868)	-	(51,868)
At December 31, 2012	**41,543**	**95,242**	**234,667**	**115,002**	**51,705**	**2,586**	**540,745**	**-**	**540,745**
Amortization charge of the year	7,667	8,089	46,223	20,195	43,722	224	126,120	-	126,120
Disposals	-	-	(52)		-	-	(52)	-	(52)
Write-off of fully amortized assets	(267)	-	(7,671)	-	(10,568)	-	(18,506)	-	(18,506)
Impairment loss	53,279	-	-	-	-	-	53,279	-	53,279
At December 31, 2013	**102,222**	**103,331**	**273,167**	**135,197**	**84,859**	**2,810**	**701,586**	**-**	**701,586**
Carrying Amount									
At December 31, 2013	-	18,183	93,646	77,579	44,193	18,315	251,916	-	251,916
At December 31, 2012	60,679	26,272	80,616	97,774	57,083	18,539	340,963	-	340,963

The Company's intangible assets other than goodwill each have a finite life and are comprised primarily of network user rights, trade name, software development and acquisition costs, customer relationships, broadcasting rights, out of market component of future leases and contracts with suppliers.

The Company assesses the estimated useful lives of its finite intangible assets each reporting period to determine whether events or circumstances warrant a revision of these estimated useful lives. The assessment performed in 2013 did not result in any revision to the estimated useful lives of intangible assets, except for software. Based upon detailed analyses, the Company decided to change the useful life of software from 3 to 4 years, prospectively as from January 1, 2014.

For the year ended December 31, 2013, the Company removed € 18.5 million of gross cost and accumulated amortization related to fully amortized assets which are no longer used by the Company (€ 51.9 million for the year ended December 31, 2012).

Following an auction launched in March 2011 by the BIPT, Telenet Tecteo BidCo NV, a subsidiary of the Company in which the Walloon cable operator Tecteo SCRL owns a 25% stake, acquired the fourth 3G mobile spectrum license in Belgium. The Company recognized the acquired spectrum as an intangible asset for an amount of € 71.5 million, equal to the cash price equivalent (i.e. the net present value) at the acquisition date of the yearly installments. Up until December 31, 2013, this intangible asset was being amortized on a straight-line basis through the expiry date of the underlying license of March 15, 2021.

In December 2013, the Company's management determined that it will not be able to utilize the spectrum rights following the conclusion in the fourth quarter of 2013 of negotiations with network operators in Belgium and the absence of regulatory alternatives. This triggered an impairment test of the intangible asset related to the Company's 3G mobile spectrum license. The Company determined that the asset's value in use was zero at December 31, 2013. Further, it is the Company's assessment that at December 31, 2013, there is no basis for making a reliable estimate of the asset's fair value less costs to sell. Consequently, the Company's analysis concluded that the recoverable amount of the intangible asset related to the 3G mobile spectrum was zero at December 31, 2013 and Telenet recorded an impairment charge of € 53.3 million during the fourth quarter of 2013 to reduce the carrying amount of this intangible asset to zero. On February 13, 2014, the Company notified the BIPT that it will return the acquired spectrum by April 1, 2014.

At the time of the acquisition of the 3G mobile spectrum license, the Company opted to pay the corresponding purchase price in annual installments. At December 31, 2013, the Company had not been discharged from any part of these contractual obligations and consequently, the Company maintained the corresponding liability (€ 45.9 million) as of December 31, 2013.

Concurrently with the acquisition of the 3G mobile spectrum license, the Company also exercised its call option to acquire a certain number of 2G mobile spectrum frequencies for a total consideration of € 31.5 million, which would become available in November 2015. On December 12, 2013, the Company notified the BIPT that it will not utilize its right to use this 2G mobile spectrum. It is the Company's assessment that, as a result of this early notification, the BIPT will not need to recall the 2G frequencies from other operators and thus the Company will not be required to honor its commitment to acquire this 2G spectrum in November 2015.

For information regarding finance leases of intangible assets, see note 5.12.6 to the consolidated financial statements of the Company.

5.7. Trade receivables

(in thousands of euro)	**December 31, 2013**	**December 31, 2012**
Trade receivables	122,028	115,437
Less: provision for impairment of trade receivables	(3,358)	(4,907)
Trade receivables, net	**118,670**	**110,530**

At December 31, 2013 and 2012, respectively, the aging of the Company's current trade receivables can be detailed as follows:

				Past due			
(in thousands of euro)	**Not due**	**1-30 days**	**31-60 days**	**61-90 days**	**91-120 days**	**>120 days**	**Total**
Decembre 31, 2013	59,309	41,222	5,029	1,743	4,526	10,199	122,028
Decembre 31, 2012	65,306	28,030	5,640	2,259	1,808	12,394	115,437

All invoices related to residential customers are due within 20 days. For other clients, the payment due date is set at 30 or 60 days. In accordance with the Company's accounting policies and based on historical experience, trade receivables that are less than 120 days past due are not considered impaired. At December 31, 2013, a total amount of € 52.5 million (2012: € 37.7 million) was past due but not considered impaired for these reasons. With respect to these trade receivables, there are no indications that the debtors will not meet their payment obligations. The credit quality of trade and other receivables is assessed, and the Company monitors customer credit risk, based on a credit policy established by the Company's management.

Outstanding trade receivables past due for more than 120 days are considered as potentially impaired and are subject to detailed analysis at the customer level, and a provision for impairment of trade receivables is established based upon objective evidence that the Company will not be able to collect the amounts. Significant financial difficulties of the debtor, defaults in payments, and other adverse debtor circumstances are considered indicators that the trade receivable is impaired. Based on the necessary and appropriate underlying documentation, receivables more than 120 days past due for which it is likely that the amount due will be recovered, are excluded from the calculation of the allowance for bad debts. For the remaining receivables more than 120 days past due, a bad debt allowance is provided for at 100%.

The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the Company believes that there is no further credit provision required in excess of the allowance for doubtful debts.

The following table shows the development of the provision for impairment of trade receivables:

(in thousands of euro)	**December 31, 2013**	**December 31, 2012**
Provision for impairment of trade receivables at the beginning of the year	(4,907)	(11,025)
Additions	(4,310)	(2,119)
Reductions and write-offs	5,859	8,237
Provision for impairment of trade receivables at the end of the year	**(3,358)**	**(4,907)**

When a trade receivable is uncollectible, it is written off against the provision for impairment of trade receivables. Trade receivables impairment losses have been included in cost of services provided in the consolidated statement of profit or loss and other comprehensive income. The Company does not hold any receivables in foreign currency.

5.8. Other assets

5.8.1. Non-current

(in thousands of euro)	note	**December 31, 2013**	**December 31, 2012 as restated***
Outstanding guarantees to third parties for own liabilities (cash paid)		2,165	2,723
Receivables from sale of sports broadcasting rights	5.6	4,578	8,462
Investments in equity accounted investees		877	444
Derivative financial instruments	5.13	63	63
Other non-current assets		**7,683**	**11,692**

* See note 5.2.20

5.8.2. Current

(in thousands of euro)	note	December 31, 2013	December 31, 2012 as restated*
Recoverable withholding taxes		305	981
Prepaid content		6,092	5,953
Prepayments		15,044	13,697
Unbilled revenue		44,947	45,725
Receivables from sale of sports broadcasting rights	5.6	11,227	19,210
Other		6,214	3,561
Other current assets		**83,829**	**89,127**

Unbilled revenue generally represents revenue for which the Company has already provided a service or product in accordance with the customer agreement but for which the customer has not yet been invoiced.

The receivables from the sale of broadcasting rights relate primarily to the Belgian football broadcasting rights. Concurrent with the acquisition of the exclusive broadcasting rights for the main fixtures of the Belgian football championship for the three seasons starting July 2011, the Company entered into agreements with various third parties for the partial or full resale of certain of these rights. Taking into account the three-year term of the contract and the deferred payment terms, the cost or cash price equivalent of the sold part of the rights was determined by means of a net present value calculation using the effective interest method by applying an incremental borrowing rate of 3.89%. This resulted in an initial aggregate receivable balance € 67.5 million. As per December 31, 2013, outstanding non-current and current receivables regarding Belgian football broadcasting rights amounted to € 0.0 million (2012: € 6.6 million) and € 7.5 million (2012: € 17.3 million), respectively, and are included in the balances of "Receivables from sale of sports broadcasting rights" shown in the tables above.

5.9. Inventories

As of December 31, 2013, inventories amounted to € 15.4 million (2012: € 17.8 million) and consisted mainly of mobile handsets as well as HD Digiboxes, other DTV materials and powerline adaptors. The decrease compared to the end of 2012 of € 2.4 million was mainly due to a decrease in the mobile handsets inventory of € 4.5 million, partially compensated by an increase in the DTV materials inventory of € 2.1 million.

The net book value of inventories also includes inventory impairments to reduce the carrying values to the net realizable value. These inventory impairments amounted to € 1.5 million and € 0.5 million for the years ended December 31, 2013 and 2012, respectively.

5.10. Cash and cash equivalents

(in thousands of euro)	December 31, 2013	December 31, 2012
Cash at bank and on hand	145,305	508,334
Certificates of deposit	68,798	397,966
Total cash and cash equivalents	**214,103**	**906,300**

On December 31, 2013, the certificates of deposit had a weighted average interest rate of 0.35% (2012: 0.14%) and an average maturity of 49 days (2012: 31 days). Cash and cash equivalents are placed with highly rated financial institutions in order to minimize the overall credit risk. The investments of our cash and cash equivalents at December 31, 2013 and 2012 were in compliance with the Company's Risk Management policies.

5.11. Shareholders' equity

5.11.1. Shareholders' equity

On December 31, 2013, Telenet Group Holding NV had the following shares outstanding, all of which are treated as one class in the earnings per share calculation:

- 115,624,279 ordinary shares (2012: 113,313,663 shares);
- 94,843 Liquidation Dispreference Shares (2012: 94,843 shares), held by Interkabel and Binan Investments B.V. (a subsidiary of Liberty Global Plc), which have the same rights as the ordinary shares except that they are subject to an € 8.02 liquidation dispreference, such that in any liquidation of Telenet Group Holding NV the Liquidation Dispreference Shares would only participate in the portion of the proceeds of the liquidation that exceed € 8.02 per share. Liquidation Dispreference Shares may be converted into ordinary shares at a rate of 1.04 to 1; and

- 30 Golden Shares (2012: 30 shares) held by the financing municipalities[1], which have the same rights as the ordinary shares and which also give their holders the right to appoint representatives to the Regulatory Board, which oversees the public interest guarantees related to Telenet's offering of digital television.

As of December 31, 2013, share capital amounted to € 12.6 million (2012: € 12.3 million).

Capital reductions

With respect to the repayments of the capital reductions approved by the extraordinary shareholders' meetings of Telenet Group Holding NV on August 17, 2007, May 28, 2009, April 28, 2010, April 27, 2011 and April 25, 2012 of respectively € 6.00, € 0.50, € 2.23, € 4.50 and € 3.25 per share, payments have been made for the year ended December 31, 2013 totaling € 29,614.54.

Dividend payments

With respect to the dividend payment approved by the annual shareholders' meeting of Telenet Group Holding NV on April 25, 2012, payments have been made for the year ended December 31, 2013 totaling € 2,214.17.

On April 24, 2013, the annual shareholders' meeting of Telenet Group Holding NV approved an extraordinary dividend payment of € 7.90 per share. This was executed as a dividend to all shareholders of Telenet Group Holding NV at the moment of the closing of trading on Euronext Brussels on May 2, 2013 with the payment of € 905,135,363.39 made for the year ended December 31, 2013. No changes to the outstanding number of shares occurred as a result of this transaction.

Own shares

On August 9, 2011, the Company announced the initiation of a share repurchase program, referred to as the "Share Repurchase Program 2011". Under this program, the Company could acquire from time to time up to maximum 1 million of its outstanding ordinary shares within a period of nine months. All repurchased shares are being held by the Company to cover the Company's obligations under existing stock option plans. There will be no dividend rights for these shares as long as they are held by the Company.

After the delivery of 1,900 own shares by the Company to the beneficiaries following the exercise of stock options under the ESOP 2013 on December 20, 2013, the Company still holds 218,452 shares under the Share Repurchase Program 2011 for a total amount of € 5.7 million, representing 0.2% of the total outstanding shares as of December 31, 2013.

On February 16, 2012, the Company announced the initiation of a share repurchase program, referred to as the "Share Repurchase Program 2012". Under this program, the Company could acquire from time to time up to 3 million of its outstanding shares, for a maximum consideration of € 50.0 million, within six months following February 20, 2012. The Company purchased and subsequently cancelled a total of 1,449,076 shares under the Share Repurchase Program 2012, for a total amount of € 45.7 million, prior to the cancellation of this program on August 13, 2012.

On February 13, 2014, the Company announced the initiation of a new share repurchase program, referred to as the "Share Repurchase Program 2014" as of February 13, 2014. Under this program, the Company can acquire from time to time up to a maximum of 1.1 million of its outstanding ordinary shares, for a maximum consideration of € 50.0 million, within the three months following February 13, 2014. All repurchased shares will be held by the Company to cover the Company's obligations under existing stock option plans.

Through March 10, 2014, the Company had acquired 296,598 own shares under the Share Repurchase Program 2014 for a total amount of € 13,300,978, representing 0.26% of the total number of outstanding shares at that moment. Taking into account a par value of € 0.11 per share on December 31, 2013, this represents an amount of € 32,626 in the share capital of the company.

Public takeover bid

On September 20, 2012, Binan Investments B.V., a subsidiary of Liberty Global, launched a voluntary and conditional takeover bid on the remaining outstanding shares of the Company. As a result thereof, Binan Investments B.V. acquired 9,497,637 shares and 3,000 warrants on February 1, 2013.

5.11.2. Employee share based compensation

Warrant Plan 2007, Warrant Plan 2008, Warrant Plan 2009 and Warrant Plan 2010

The details regarding the Warrant Plan 2007, Warrant Plan 2008, Warrant Plan 2009 and Warrant Plan 2010 issued by the Company are summarized in the table below:

1 The financing municipalities, currently holding the Golden Shares, are: IFIGGA, FINEA, FINGEM, IKA, FINILEK, FINIWO and FIGGA.

	Issuance of warrants		Warrants granted				
Warrant Plan	**Date approved by the extraordinary shareholders' meeting**	**Total number of warrants issued**	**Name of the grant**	**Date offered**	**Number of warrants offered**	**Number of warrants accepted**	**Beneficiaries**
Warrant Plan 2007	December 27, 2007	3,300,000	Warrant Plan 2007	December 27, 2007	55,000	27,500	certain employees
			Warrant Plan 2007 bis	March 5, 2008	1,294,000	1,058,600	certain employees
			Warrant Plan 2007 ter	August 25, 2008	63,000	43,000	certain employees
			Warrant Plan 2007 quater	June 30, 2009	1,298,000	1,236,000	certain employees
			Warrant Plan 2007 quinquies	December 4, 2009	155,000	155,000	former CEO
			Warrant Plan 2007 sexies	December 18, 2009	117,500	93,000	certain employees
			Warrant Plan 2007 septies	September 28, 2010	189,900	189,900	certain employees
Warrant Plan 2008	May 29, 2008	317,000	Warrant Plan 2008	May 29, 2008	317,000	317,000	former CEO
Warrant Plan 2009	May 28, 2009	180,000	Warrant Plan 2009	May 28, 2009	180,000	180,000	former CEO
Warrant Plan 2010	April 28, 2010	2,800,000	Warrant Plan 2010 primo	September 28, 2010	1,147,600	1,006,700	certain employees
			Warrant Plan 2010 bis	December 10, 2010	70,500	50,500	certain employees
			Warrant Plan 2010 ter	August 11, 2011	184,500	147,500	certain employees

Under all of the aforementioned plans, the warrants vest in equal parts per quarter over a period of four years and each warrant gives the holder the right to subscribe to one new share of the Company.

In 2013, there were no new grants under the Warrant plan 2010. The remaining 1,595,300 ungranted warrants under the Warrant Plan 2010 forfeited on April 28, 2013.

On September 4, 2013, the Remuneration & Nomination Committee decided to accelerate vesting for all unvested warrants under the Warrant Plan 2007 quinquies such that all awards were fully vested on August 31, 2013.

As of April 9, 2013, there were no more warrants outstanding under the Warrant Plan 2007, the Warrant plan 2007 ter and the Warrant Plan 2008. As of December 20, 2013, there were no more warrants outstanding under the Warrant Plan 2007 bis, the Warrant plan 2007 quinquies and the Warrant Plan 2009.

Specific Stock Option Plan 2010-2014

On March 24, 2010, the board of directors approved a specific stock option plan for the former CEO, Mr. Duco Sickinghe, for a total number of 850,000 options on existing shares (*the Specific Stock Option Plan 2010-2014 or SSOP 2010-2014*). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company. On April 28, 2010, the extraordinary shareholders' meeting of the Company approved certain terms and conditions of the SSOP 2010-2014.

The grant of 850,000 stock options under the SSOP 2010-2014 was effectively made to the former CEO on September 4, 2010, who accepted this offer on October 3, 2010.

The vesting of these options was contingent upon the achievement of certain performance criteria. The Remuneration & Nomination Committee, in consultation with the CEO, determined for each installment the performance criteria and each year the Remuneration & Nomination Committee decided whether these criteria were met.

In October 2010, the first tranche of 250,000 stock options was granted to the former CEO with an exercise price of € 23.00 per option. The Remuneration & Nomination Committee determined in 2011 that the applicable performance criteria had been achieved for 2010, which resulted in the vesting of these 250,000 options (currently 394,891 options after giving effect to the impact of the 2011 and 2012 capital reduction and the 2013 extraordinary dividend payment) with an actual exercise price of € 14.57 per option (after giving effect to the impact of the 2011 and 2012 capital reduction and the 2013 extraordinary dividend payment) on March 1, 2011.

In February 2011, the second tranche of 200,000 stock options was granted to the former CEO with an exercise price of € 24.00 per option. The Remuneration & Nomination Committee determined on February 15, 2012 that the applicable performance criteria had been achieved for 2011, which resulted in the vesting of these 200,000 options (currently 315,911 options after giving effect to the impact of the 2011 and 2012 capital reduction and the 2013 extraordinary dividend payment) with an actual exercise price of € 15.20 per option (after giving effect to the impact of the 2011 and 2012 capital reduction and the 2013 extraordinary dividend payment) on March 1, 2012.

In February 2012, the third tranche of 200,000 stock options was granted to the former CEO with an exercise price of € 25.00 per option. The Remuneration & Nomination Committee has determined on February 11, 2013 that the applicable performance criteria have been achieved for 2012, which resulted in the vesting of these 200,000 options (currently 315,911 options after giving effect to the impact of the 2011 and 2012 capital reduction and the 2013 extraordinary dividend payment) with an actual exercise price of € 15.83 per option (after giving effect to the impact of the 2011 and 2012 capital reduction and the 2013 extraordinary dividend payment) on March 1, 2013.

On March 14, 2013 the Remuneration & Nomination Committee, in consultation with the former CEO, determined the performance criteria for the last tranche of 200,000 options under the SSOP 2010-2014 with an exercise price of € 26.00 per option, and therefore the grant of these options is for accounting purposes considered to have occurred on that date. On September 4, 2013, the Remuneration & Nomination Committee decided to accelerate vesting for these 200,000 options (315,911 options after giving effect to the impact of the 2011 and 2012 capital reduction and the 2013 extraordinary dividend payment) with an actual exercise price of € 16.46 per option (after giving effect to the impact of the 2011 and 2012 capital reduction and the 2013 extraordinary dividend payment) such that all awards were fully vested on August 31, 2013.

All vested options under the Telenet Specific Stock Option Plan 2010-2014 become exercisable during defined exercise periods following January 1, 2014. All options under the SSOP 2010-2014 have an expiration date of September 4, 2017.

Employee Stock Option Plan 2013

On April 22, 2013, the board of directors approved a general stock option plan for the employees, for a total number of 1,200,000 stock options on existing shares, under the condition of approval and within the limits of the authorized capital as approved by the general shareholders' meeting of April 24, 2013 (*the Employee Stock Option Plan 2013 or ESOP 2013*). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

On July 4, 2013, the board of directors authorized a first grant under this plan (ESOP 2013 primo) to certain beneficiaries.

On October 22, 2013, the board of directors offered a second tranche of stock options to certain key management personnel (ESOP 2013 bis).

The vesting of these stock options occurs per quarter and over 4 years, with a vesting of 10% of the total stock options granted during each of the first 4 quarters and a vesting of 5% of the total stock options granted during each of the 12 following quarters.

CEO Stock Option Plan 2013

On April 22, 2013, the board of directors also approved a specific stock option plan for the Company's CEO, Mr. John Porter, for a total number of 200,000 options on existing shares (*the CEO Stock Option Plan 2013 or CEO SOP 2013*). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company. On April 24, 2013, the extraordinary shareholders' meeting of the Company approved upfront certain terms and conditions of the CEO Stock Option Plan 2013.

The grant of these 200,000 stock options, with an exercise price of € 34.33 per option, was effectively made to the CEO on July 4, 2013, who accepted this offer on October 2, 2013.

The vesting of the stock options under the CEO SOP 2013 is contingent upon the achievement of certain (cumulative) performance criteria over a period of three years, including the achievement of a minimum level of EBITDA. The Remuneration Committee, in consultation with the CEO, determines for each installment the performance criteria and it is the Remuneration Committee that will decide whether these criteria have been met. As the applicable performance criteria have been achieved for 2013, the first tranche of 50,000 stock options will vest on July 4, 2014.

Subject to the achievement of the additional performance criteria for 2014 and 2015 as determined by the Remuneration Committee on October 3, 2013, the second tranche of 100,000 stock options can vest on July 4, 2015 and the last tranche of 50,000 stock options can vest on July 4, 2016.

Any stock options that vest under the CEO SOP 2013 become exercisable during defined exercise periods following July 4, 2016. All options under the CEO SOP 2013 have an expiration date of July 4, 2018.

CEO Stock Option Plan 2014

On November 8, 2013, the board of directors approved a specific stock option plan for the Company's CEO for a total number of 185,000 options on existing shares (*the CEO Stock Option Plan 2014 or CEO SOP 2014*). Each of these stock options entitles the holder thereof to purchase from the Company one existing share of the Company.

The grant of these 185,000 stock options, with an exercise price of € 38.88 per option, was effectively made to the CEO on November 8, 2013 and was accepted on February 5, 2014.

The vesting of the stock options under the CEO SOP 2014 is contingent upon the achievement of certain (cumulative) performance criteria over a period of three years, including the achievement of a minimum level of EBITDA. The Remuneration Committee, in consultation with the CEO, has determined for each installment the performance criteria and it is the Remuneration Committee will decide whether these criteria have been met.

Subject to the achievement of the performance criteria for 2014 and 2015 as determined in the CEO SOP 2014 Plan, the first tranche of 138,750 stock options can vest on June 26, 2016 and the second tranche of 46,250 stock options can vest on March 1, 2017, subject to the achievement of the performance criteria for 2016 as determined by the Remuneration Committee.

Any stock options that vest under the CEO SOP 2014 become exercisable during defined exercise periods following June 26, 2016. All options under the CEO SOP 2014 have an expiration date of June 26, 2020.

The details regarding the stock option plans issued by the Company are summarized in the table below:

	Issuance of stock options		Stock options granted				
Stock Option Plan	**Date approved by the board of directors**	**Total number of stock options issued**	**Name of the grant**	**Date offered**	**Number of stock options offered**	**Number of stock options accepted**	**Beneficiaries**
Specific Stock Option Plan 2010-2014	March 24, 2010	850,000	SSOP 2010-2014	September 4, 2010	850,000	850,000	Former CEO
Employee Stock Option Plan 2013	April 22, 2013	1,200,000	ESOP 2013 primo	July 4, 2013	985,000	741,448	certain employees
			ESOP 2013 bis	October 22, 2013	50,000	50,000	certain employees
CEO Stock Option Plan 2013	April 22, 2013	200,000	CEO SOP 2013	July 4, 2013	200,000	200,000	CEO
CEO Stock Option Plan 2014	November 8, 2013	185,000	CEO SOP 2014	November 8, 2013	185,000	185,000	CEO

For accounting purposes, the grant dates of all of the above mentioned grants were defined as the date the beneficiaries accepted the offer. The fair values of the warrants and the stock options were determined using the Black-Scholes option-pricing model.

The grant dates for accounting purposes, as well as the underlying assumptions for determining the grant date fair value can be summarized as follows:

	Grant Date (for accounting purposes)	Fair Value at grant date (in euro)	Share Price (in euro)	Exercise Price (in euro)[1]	Expected Volatility	Expected Option Life	Expected Dividends	Risk-free interest rate
Warrant Plan 2007 warrants	January 27, 2008	3.83	18.04	19.40	25.5%	3.61 years	0.0%	3.50%
Warrant Plan 2007 bis warrants	April 19, 2008	2.79 - 4.34	14.51	14.50	24.2% - 27.7%	3.61 years	0.0%	4.07% - 4.20%
Warrant Plan 2007 ter warrants	September 25, 2008	3.15 - 4.62	14.78	14.69	25.9% - 28.5%	3.61 years	0.0%	4.17% - 4.39%
Warrant Plan 2007 quater warrants	July 30, 2009	4.91 - 5.93	16.35	14.36	32.2% - 36.4%	3.61 years	0.0%	1.83% - 2.61%
Warrant Plan 2007 quinquies warrants	January 3, 2010	5.24 - 6.26	19.93	19.45	32.5% - 38.8%	3.61 years	0.0%	1.64% - 2.46%
Warrant Plan 2007 sexies warrants	January 17, 2010	6.10 - 7.15	20.97	18.98	32.5% - 38.8%	3.61 years	0.0%	1.45% - 2.33%
Warrant Plan 2007 septies warrants	November 12, 2010	10.04 - 11.72	28.70	24.02	38.7% - 44.6%	3.61 years	0.0%	1.70% - 2.32%
Warrant Plan 2008 warrants	May 29, 2008	3.02 - 4.78	15.89	15.86	24.3% - 27.6%	3.61 years	0.0%	4.48% - 4.51%
Warrant Plan 2009 warrants	June 26, 2009	2.86 - 3.97	14.60	14.22	32.3% - 36.6%	3.61 years	0.0%	1.88% - 2.71%
Warrant Plan 2010 primo warrants	November 12, 2010	10.04 - 11.72	28.70	24.02	38.7% - 44.6%	3.61 years	0.0%	1.70% - 2.32%
Warrant Plan 2010 bis warrants	January 24, 2011	8.04 - 10.43	28.76	28.79	38.8% - 43.8%	3.61 years	0.0%	2.74% - 3.42%
Warrant Plan 2010 ter warrants	September 26, 2011	6.34 - 15.10	27.44	26.35	30.9% - 70.2%	3.61 years	0.0%	2.36% - 2.95%

1 Exercise price upon grant, i.e. before adjustment for any capital reductions.

	Grant Date (for accounting purposes)	Fair Value at grant date (in euro)	Share Price (in euro)	Exercise Price (in euro)		Expected Volatility	Expected Option Life	Expected Dividends	Risk-free interest rate
				Initially	Adjusted				
Specific Stock Option Plan 2010-2014	October 3, 2010	10.18	24.77	23.00	14.57	36.9%	5.7 years	0.0%	2.44%
	February 23, 2011	15.31	31.39	24.00	15.20	36.9%	5.3 years	0.0%	3.62%
	February 15, 2012	11.85	28.82	25.00	15.83	32.2%	4.3 years	0.0%	2.08%
	March 14, 2013	18.24	39.13	26.00	16.46	23.3%	3.3 years	0.0%	0.33%
ESOP 2013 primo Stock Options	July 31, 2013	5.99 - 8.45	36.40	34.33	-	21.0% - 23.3%	4.4 years	0.0%	0.47% - 1.07%
ESOP 2013 bis Stock Options	November 30, 2013	7.25 - 9.81	40.50	36.75	-	20.2% - 22.6%	4.4 years	0.0%	0.36% - 0.89%
CEO SOP 2013 Stock Options	October 2, 2013	7.91 - 10.01	36.85 - 39.13	34.33	-	20.5% - 22.6%	4.0 years	0.0%	1.03% - 1.07%
CEO SOP 2014 Stock Options	February 5, 2014	12.12	44.13	38.88	-	22.3%	5.0 years	0.0%	1.05%

Effect of capital reduction and extraordinary dividend payment on the outstanding options and warrants

Upon the payment of the capital reduction in 2012 and the payment of the extraordinary dividend on May 8, 2013, the Company adjusted all options and warrants to ensure that benefits granted to the option and warrant holders were not reduced. The number of options and warrants was increased and the exercise price was decreased by a factor, which is the ratio of the quoted closing market price of the Telenet Group Holding NV shares on the cum date less the amount of the capital reduction (or extraordinary dividend) per share versus the quoted market price on the cum date. The cum date is the last day that the share is traded with the relevant coupon attached, i.e. the date that falls 4 business days before the date on which the capital (or extraordinary dividend) is paid (payment date).

Capital Reduction/Extraordinary dividend

	Coupon n°	Cum date	Payment date	Amount capital reduction per share (in euro)	Adjustment factor
Capital Reduction 2012	6	August 27, 2012	August 31, 2012	3.25	.905523
Extraordinary dividend 2013	7	May 2, 2013	May 8, 2013	7.90	.811905

As a result of the 2012 and 2013 adjustments, fair values of the options and warrants before and after the capital reduction/extraordinary dividend payment remained the same for all option and warrant holders resulting in no additional compensation expense. The aforementioned modifications to the different warrant plans can be summarized as follows:

	Outstanding number of options and warrants		Exercise price of the options and warrants (in euro)	
Capital Reduction 2012	**before capital reduction**	**after capital reduction**	**before capital reduction**	**after capital reduction**
Warrant Plan 2007 warrants	13,007	14,364	14.69	13.30
Warrant Plan 2007 bis warrants	279,031	308,142	10.98	9.94
Warrant Plan 2007 ter warrants	17,998	19,876	11.13	10.08
Warrant Plan 2007 quater warrants	849,921	938,593	10.88	9.85
Warrant Plan 2007 quinquies warrants	198,422	219,124	15.19	13.75
Warrant Plan 2007 sexies warrants	65,662	72,513	14.83	13.43
Warrant Plan 2007 septies warrants	182,916	202,000	20.68	18.73
Warrant Plan 2008 warrants	418,580	462,252	12.01	10.88
Warrant Plan 2009 warrants	237,680	262,478	10.77	9.75
Warrant Plan 2010 primo warrants	872,474	963,509	20.68	18.73
Warrant Plan 2010 bis warrants	47,903	52,901	24.79	22.45
Warrant Plan 2010 ter warrants	137,622	151,981	26.35	23.86

	Outstanding number of warrants		Exercise price of the warrants (in euro)	
Extraordinary dividend 2013	**before payment**	**after payment**	**before payment**	**after payment**
Warrant Plan 2007 bis warrants	2,503	3,083	9.94	8.07
Warrant Plan 2007 quater warrants	355,568	437,944	9.85	8.00
Warrant Plan 2007 quinquies warrants	219,124	269,889	13.75	11.16
Warrant Plan 2007 sexies warrants	41,302	50,871	13.43	10.90
Warrant Plan 2007 septies warrants	131,000	161,349	18.73	15.21
Warrant Plan 2009 warrants	262,478	323,286	9.75	7.92
Warrant Plan 2010 primo warrants	604,446	744,473	18.73	15.21
Warrant Plan 2010 bis warrants	24,481	30,153	22.45	18.23
Warrant Plan 2010 ter warrants	113,236	139,469	23.86	19.37

The options under the SSOP 2010-2014 were also amended following the payment of the capital reductions in 2012 and the extraordinary dividend payment in 2013, whereby the number of options was increased and the exercise price was decreased by the same factors of 0.905523 and 0.811905, respectively.

The aforementioned modifications of 2012 and 2013 to the SSOP 2010-2014 option plan can be summarized as follows:

	Number of outstanding SSOP 2010-2014 options		Exercise price SSOP 2010-2014 options (in euro)	
Capital Reduction 2012	**before capital reduction**	**after capital reduction**	**before capital reduction**	**after capital reduction**
Tranche 1	290,323	320,614	19.81	17.94
Tranche 2	232,258	256,490	20.67	18.72
Tranche 3	232,258	256,490	21.53	19.50
Tranche 4	232,258	256,490	22.39	20.27

	Number of outstanding stockoptions		Exercise price stock options (in euro)	
Extraordinary dividend 2013	**before payment**	**after payment**	**before payment**	**after payment**
Tranche 1	320,614	394,891	17.94	14.57
Tranche 2	256,490	315,911	18.72	15.20
Tranche 3	256,490	315,911	19.5	15.83
Tranche 4	256,490	315,911	20.27	16.46

All plans

A summary of the activity in the Company's stock option and warrant plans for the years ended December 31, 2013, and 2012 is as follows:

	Outstanding Options and warrants	
	Number of Options and Warrants	**Weighted Average Exercise Prices (in euro)**
January 1, 2012	**4,752,865**	**14.93**
Granted		
Specific Stock Option Plan 2010-2014 options granted (Tranche 3)	232,258	21.53
Additional issued upon plan amendment		
Additional Warrant Plan 2007 warrants issued upon plan amendment	1,357	13.30
Additional Warrant Plan 2007 bis warrants issued upon plan amendment	29,111	9.94
Additional Warrant Plan 2007 ter warrants issued upon plan amendment	1,878	10.08
Additional Warrant Plan 2007 quater warrants issued upon plan amendment	88,672	9.85
Additional Warrant Plan 2007 quinquies warrants issued upon plan amendment	20,702	13.75
Additional Warrant Plan 2007 sexies warrants issued upon plan amendment	6,851	13.43
Additional Warrant Plan 2007 septies warrants issued upon plan amendment	19,084	18.73
Additional Warrant Plan 2008 warrants issued upon plan amendment	43,672	10.88
Additional Warrant Plan 2009 warrants issued upon plan amendment	24,798	9.75
Additional Warrant Plan 2010 primo warrants issued upon plan amendment	91,035	18.73

	Outstanding Options and warrants	
	Number of Options and Warrants	**Weighted Average Exercise Prices (in euro)**
Additional Warrant Plan 2010 bis warrants issued upon plan amendment	4,998	22.45
Additional Warrant Plan 2010 ter warrants issued upon plan amendment	14,359	23.86
Additional Specific Stock Option Plan 2010-2014 options issued upon plan amendment (Tranche 1)	30,291	17.94
Additional Specific Stock Option Plan 2010-2014 options issued upon plan amendment (Tranche 2)	24,232	18.72
Additional Specific Stock Option Plan 2010-2014 options issued upon plan amendment (Tranche 3)	24,232	19.50
Exercised		
Class A Options exercised	(346,025)	3.84
Warrant Plan 2007 warrants exercised	(35,864)	14.13
Warrant Plan 2007 bis warrants exercised	(506,082)	10.69
Warrant Plan 2007 ter warrants exercised	(33,033)	10.70
Warrant Plan 2007 quater warrants exercised	(183,709)	10.12
Warrant Plan 2007 sexies warrants exercised	(24,657)	13.81
Warrant Plan 2007 septies warrants exercised	(5,000)	20.68
Warrant Plan 2010 primo warrants exercised	(167,224)	19.43
Warrant Plan 2010 bis warrants exercised	(12,112)	23.01
Warrant Plan 2010 ter warrants exercised	(27,049)	23.91
Forfeited		
Warrant Plan 2007 quater warrants forfeited	(2,479)	10.88
Warrant Plan 2007 sexies warrants forfeited	(6,110)	14.58
Warrant Plan 2010 primo warrants forfeited	(29,885)	19.70
Warrant Plan 2010 ter warrants forfeited	(11,863)	25.83
December 31, 2012	**4,019,303**	**14.92**
Granted		
Specific Stock Option Plan 2010-2014 options granted (Tranche 4)	256,490	20.27
Employee Stock Option Plan 2013 primo stock options granted	741,448	34.33
CEO Stock Options Plan 2013	200,000	34.33
Employee Stock Option Plan 2013 bis stock options granted	58,000	36.75
Additional issued upon plan amendment		
Additional Warrant Plan 2007 bis warrants issued upon plan amendment	580	8.07

	Outstanding Options and warrants	
	Number of Options and Warrants	**Weighted Average Exercise Prices (in euro)**
Additional Warrant Plan 2007 quater warrants issued upon plan amendment	82,376	8.00
Additional Warrant Plan 2007 quinquies warrants issued upon plan amendment	50,765	11.16
Additional Warrant Plan 2007 sexies warrants issued upon plan amendment	9,569	10.9
Additional Warrant Plan 2007 septies warrants issued upon plan amendment	30,349	15.21
Additional Warrant Plan 2009 warrants issued upon plan amendment	60,808	7.92
Additional Warrant Plan 2010 primo warrants issued upon plan amendment	140,027	15.21
Additional Warrant Plan 2010 bis warrants issued upon plan amendment	5,672	18.23
Additional Warrant Plan 2010 ter warrants issued upon plan amendment	26,233	19.37
Additional Specific Stock Option Plan 2010-2014 options issued upon plan amendment (Tranche 1)	74,277	14.57
Additional Specific Stock Option Plan 2010-2014 options issued upon plan amendment (Tranche 2)	59,421	15.20
Additional Specific Stock Option Plan 2010-2014 options issued upon plan amendment (Tranche 3)	59,421	15.83
Additional Specific Stock Option Plan 2010-2014 options issued upon plan amendment (Tranche 4)	59,421	16.46
Exercised		
Warrant Plan 2007 bis warrants exercised	(169,874)	9.91
Warrant Plan 2007 ter warrants exercised	(6,234)	10.08
Warrant Plan 2007 quater warrants exercised	(543,359)	9.52
Warrant Plan 2007 quinquies warrants exercised	(269,889)	11.16
Warrant Plan 2007 sexies warrants exercised	(55,174)	11.43
Warrant Plan 2007 septies warrants exercised	(89,500)	18.00
Warrant Plan 2008 warrants exercised	(462,252)	10.88
Warrant Plan 2009 warrants exercised	(323,286)	7.92
Warrant Plan 2010 primo warrants exercised	(333,700)	17.63
Warrant Plan 2010 bis warrants exercised	(26,088)	21.34
Warrant Plan 2010 ter warrants exercised	(31,260)	20.76
Stock option Plan 2013 primo stock options exercised	(1,900)	34.33
Forfeited		
Warrant Plan 2007 sexies warrants forfeited	(665)	13.43
Warrant Plan 2010 primo warrants forfeited	(8,547)	18.12
December 31, 2013	**3,612,432**	**20.09**

The options and warrants in the table below were exercised resulting in the receipt of payments of € 26.9 million and € 14.1 million during the years ended December 31, 2013 and 2012, respectively. Warrant Plan 2007, Warrant Plan 2008, Warrant Plan 2009 and Warrant Plan 2010 warrants were exchanged on a one-for-one basis for newly issued ordinary shares. ESOP 2013 stock options were exchanged on a one-for-one basis for existing ordinary shares of the Company.

Class of options and warrants	Number of options and warrants exercised	Exercise date	Exercise price at exercise date (in euro)	Share price at exercise date (in euro)
Warrant Plan 2007 bis warrants	147,066	8/01/2013	9.94	35.12
	19,725	9/04/2013	9.94	39.60
	1,088	10/07/2013	8.07	37.15
	1,995	20/12/2013	8.07	42.12
Warrant Plan 2007 ter warrants	6,234	9/04/2013	10.08	39.60
Warrant Plan 2007 quater warrants	177,262	8/01/2013	9.85	35.12
	270,208	9/04/2013	9.85	39.60
	35,370	10/07/2013	8.00	37.15
	26,685	9/10/2013	8.00	36.26
	33,834	20/12/2013	8.00	42.12
Warrant Plan 2007 quinquies warrants	269,889	20/12/2013	11.16	42.12
Warrant Plan 2007 sexies warrants	11,464	9/04/2013	13.43	39.60
	25,757	10/07/2013	10.90	37.15
	5,176	9/10/2013	10.90	36.26
	12,777	20/12/2013	10.90	42.12
Warrant Plan 2007 septies warrants	71,000	9/04/2013	18.73	39.60
	18,500	9/10/2013	15.21	36.26
Warrant Plan 2008 warrants	462,252	9/04/2013	10.88	39.60
Warrant Plan 2009 warrants	323,286	20/12/2013	7.92	42.12
Warrant Plan 2010 primo warrants	77,690	8/01/2013	18.73	35.12
	152,025	9/04/2013	18.73	39.60
	16,267	10/07/2013	15.21	37.15
	50,274	9/10/2013	15.21	36.26
	37,444	20/12/2013	15.21	42.12
Warrant Plan 2010 bis warrants	19,209	9/04/2013	22.45	39.60
	2,466	10/07/2013	18.23	37.15
	2,437	9/10/2013	18.23	36.26
	1,976	20/12/2013	18.23	42.12
Warrant Plan 2010 ter warrants	9,711	9/04/2013	23.86	39.60
	9,138	10/07/2013	19.37	37.15
	3,825	9/10/2013	19.37	36.26
	8,586	20/12/2013	19.37	42.12
ESOP 2013 primo stock options	1,900	20/12/2013	34.33	42.12

The following table summarizes information about stock options and warrants outstanding and exercisable as of December 31, 2013:

Class of options and warrants	Number of options and warrants outstanding	Number of options and warrants exercisable	Weighted average remaining contractual life	Current exercise prices (in euro)
Warrant Plan 2007 quater warrants	342,055	342,055	6 months	8.00
Warrant Plan 2007 sexies warrants	7,161	7,161	12 months	10.90
Warrant Plan 2007 septies warrants	142,849	86,595	21 months	15.21
Warrant Plan 2010 primo warrants	639,001	394,916	21 months	15.21
Warrant Plan 2010 bis warrants	23,274	6,476	23 months	18.23
Warrant Plan 2010 ter warrants	117,920	41,424	31 months	19.37
Specific Stock Option Plan 2010-2014 options tranche 1	394,891	-	44 months	14.57
Specific Stock Option Plan 2010-2014 options tranche 2	315,911	-	44 months	15.20
Specific Stock Option Plan 2010-2014 options tranche 3	315,911	-	44 months	15.83
Specific Stock Option Plan 2010-2014 options tranche 4	315,911	-	44 months	16.46
ESOP 2013 primo stock options	739,548	79,444	54 months	34.33
ESOP 2013 bis stock options	58,000	-	58 months	36.75
SOP 2013 stock options	200,000	-	54 months	34.33

Total compensation expense associated with the Company's option and warrant plans amounted to € 9.5 million in 2013 (2012: € 6.2 million).

Performance shares

In December 2011, Telenet granted its Senior Leadership Team members (other than its chief executive officer) a total of 31,914 performance shares ("the 2011 Telenet Performance Shares"). The performance target applicable to the 2011 Telenet Performance Shares was the achievement of a compound annual growth rate (CAGR) for operating free cash flow (OFCF), when comparing 2013 OFCF to 2010 OFCF. A performance range of 75% to 150% of the target OFCF CAGR would generally result in award recipients earning 50% to 150% of their 2011 Telenet Performance Shares, subject to reduction or forfeiture based on individual performance and service requirements. The earned 2011 Telenet Performance Shares will vest on December 6, 2014. The 2011 Telenet Performance Shares were amended following the payment of the capital reduction in 2012 and the extraordinary dividend payment in 2013, whereby the number of performance shares was increased by the same factor as used for the amendment of warrants and options. Any compensation costs attributable to the 2011 Telenet Performance Shares are recognized over the requisite service period of the awards and will be included in stock-based compensation in Telenet's consolidated statements of operations.

In October 2012, Telenet granted its Senior Leadership Team members (other than its chief executive officer) and one other manager a total of 33,896 performance shares ("the 2012 Telenet Performance Shares"). The performance target applicable to the 2012 Telenet Performance Shares is the achievement of a compound annual growth rate (CAGR) for operating free cash flow (OFCF), when comparing 2014 OFCF to 2011 OFCF. A performance range of 75% to 150% of the target OFCF CAGR would generally result in award recipients earning 50% to 150% of their 2012 Telenet Performance Shares, subject to reduction or forfeiture based on individual performance and service requirements. The earned 2012 Telenet Performance Shares will vest on October 24, 2015. Any compensation costs attributable to the 2012 Telenet Performance Shares are recognized over the requisite service period of the awards and will be included in stock-based compensation in Telenet's consolidated statements of operations.

In October 2013, Telenet granted its Senior Leadership Team members (other than its chief executive officer) and one other manager a total of 28,949 performance shares ("the 2013 Telenet Performance Shares"). The performance target applicable to the 2013 Telenet Performance Shares is the achievement of a compound annual growth rate (CAGR) for Adjusted EBITDA, when comparing the Adjusted EBITDA during the period started as of January 1, 2013 and ending on December 31, 2015 to the Adjusted EBITDA for the period started on January 1, 2012 and ended on December 31, 2012. A performance range of 75% to 150% of the target Adjusted EBITDA CAGR would generally result in award recipients earning 50% to 150% of their 2013 Telenet Performance Shares, subject to reduction or forfeiture based on individual performance and service requirements. The earned 2013 Telenet Performance Shares will vest on October 25, 2016. Any compensation costs attributable to the 2013 Telenet Performance Shares will be recognized over the requisite service period of the awards and will be included in stock-based compensation in Telenet's consolidated statements of operations.

In 2013, Telenet recognized € 1.0 million of compensation expense in respect of the Telenet Performance Shares plans (2012: € 0.7 million).

5.12. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortized cost. For more information about the Company's exposure to interest rate and liquidity risk, see note 5.3.

The balances of loans and borrowings specified below include accrued interest as of December 31, 2013 and 2012.

For the years ended December 31 (in thousands of euro)	2013	2012
2010 Amended Senior Credit Facility:		
Revolving Credit Facility	299	294
Term Loan Q	431,079	431,038
Term Loan R	798,720	798,634
Term Loan T	175,019	175,000
Senior Secured Fixed Rate Notes		
€ 500 million Senior Secured Notes due 2020	504,073	503,984
€ 100 million Senior Secured Notes due 2016	100,678	100,663
€ 300 million Senior Secured Notes due 2021	307,508	307,453
€ 450 million Senior Secured Notes due 2022	460,625	460,547
€ 250 million Senior Secured Notes due 2024	256,375	256,328
Senior Secured Floating Rate Notes		
€ 400 million Senior Secured Notes due 2021	400,738	400,631
Finance lease obligations	358,020	339,596
3G Mobile Spectrum	45,879	53,279
Clientele fee > 20 years	83,097	76,618
	3,922,110	**3,904,065**
Less: deferred financing fees	(53,781)	(61,033)
	3,868,329	**3,843,032**
Less: current portion	(77,909)	(72,486)
Total non-current loans and borrowings	**3,790,420**	**3,770,546**

As of December 31, 2013 and 2012, all loans and borrowings were denominated in euros. Fixed interest rates applied to 52.41% of the total loans and borrowings (2012: 52.20%). The weighted average interest rates at December 31, 2013, were 6.29% on fixed rate loans (2012: 6.33%) and 3.81% on floating rate loans (2012: 3.69%).

5.12.1. 2010 Amended Senior Credit Facility

On August 1, 2007 (the "Signing Date"), Telenet BidCo NV (the "Borrower"), a former indirect subsidiary of Telenet Group Holding NV, executed a new Senior Credit Facility agreement (the "Senior Credit Facility"). This Senior Credit Facility provided for a total amount of € 2,300.0 million in Term Loans and revolving credit lines.

In 2009 and 2010, the Company amended and restructured the Senior Credit Facility (the "2010 Amended Senior Credit Facility") resulting in extension of the average maturity of its term debt and improved economics. Subsequently, the net proceeds of the € 500.0 million Senior Secured Notes due 2020 (see note 5.12.3) were partially used to redeem certain outstanding Term Loans.

In 2011, the Company further improved its debt maturity profile through several novations. The net proceeds of the € 300.0 million Senior Secured Notes due 2021 and the € 400.0 million Senior Secured Notes due 2021 (see note 5.12.3) were partially used to redeem outstanding Term Loans.

5.12.2. 2012 and 2013 activity on the 2010 Amended Senior Credit Facility

On February 8, 2012, the Company announced the issuance of € 175.0 million of additional debt, on a consolidated basis. To this end, Telenet International Finance S.à r.l., a wholly owned subsidiary of Telenet Group Holding NV and which acts as the group's financing subsidiary, issued a new floating rate Term Loan ("Facility T") under Telenet's 2010 Amended Senior Credit Facility with maturity December 31, 2018 at a 3.50% margin over Euribor. The Company used the net proceeds from this new debt issuance to buy a portion of the Q and R Facilities issued by Telenet International Finance S.à r.l. and held by BNP Paribas Bank N.V. and Fortis Bank SA/NV. Hence, on February 29, 2012, BNP Paribas Bank N.V. and Fortis Bank SA/NV, as existing Lenders, transferred their loans under the Q and R Facilities for an aggregate amount of € 124.0 million to Telenet Luxembourg Finance Center S.à r.l., as new Lender, at nominal value. The credit facilities Q2 and R2 with the same terms and conditions as Facilities Q and R, amounting in aggregate to € 124.0 million, have been drawn on August 31, 2012.

No changes occurred to the 2010 Amended Senior Credit Facility during the year ended December 31, 2013.

5.12.3. Senior Secured Notes

Issuance of € 500.0 million Senior Secured Fixed Rate Notes due 2020

Telenet Finance Luxembourg S.C.A. (further referred to as "TFL") was incorporated on September 28, 2010 under the laws of the Grand Duchy of Luxembourg as a special purpose financing company for the primary purpose of facilitating the offering of Senior Secured Notes.

On October 28, 2010 TFL entered into a Global Note offering (the "Senior Secured Notes due 2020"). TFL was incorporated as a corporate partnership limited by shares and is 99.99% owned by a charitable trust and 0.01% by Telenet Finance Luxembourg S.à r.l., a company independent from the Telenet Group.

TFL is a special purpose entity for financing purposes (SPE), incorporated on specific request of the Company. Although the Company does not have any direct or indirect shareholdings in this entity, this SPE is considered to be controlled by the Company given the substance of its relationship. Therefore, TFL is included in the consolidated financial statements of the Company.

The proceeds from the issuance of the Senior Secured Notes due 2020 (being € 500.0 million) were used by TFL to fund an additional facility under the 2010 Amended Senior Credit Facility, (the "Finco Loan" or "Facility M"), denominated in euro, borrowed by Telenet International Finance S.à r.l. ("TIF").

The Senior Secured Notes due 2020 were issued on October 28, 2010 and all cash was received on November 3, 2010. The Senior Secured Notes due 2020 have a principal value of € 500.0 million and were issued at par. The interest rate on the Senior Secured Notes due 2020 amounts to 6.375% annually and accrued interest is paid semi-annually on May 15 and November 15 commencing May 15, 2011. The final maturity of these Senior Secured Notes is November 15, 2020.

The net proceeds from this offering were partially used to redeem the outstanding Term Loans H, I and L2 under the Company's 2010 Amended Senior Credit Facility before maturity for an aggregate € 201.7 million.

Issuance of € 100.0 million Senior Secured Fixed Rate Notes due 2016

Telenet Finance Luxembourg II S.A. (further referred to as "TFL II") was incorporated on October 28, 2010 under the laws of the Grand Duchy of Luxembourg as a special purpose financing company for the primary purpose of facilitating the offering of Senior Secured Notes.

On November 26, 2010 TFL II entered into a Global Note offering (the "Senior Secured Notes due 2016"). TFL II was incorporated as a limited liability company and is owned for 100.00% by a charitable trust.

TFL II is an SPE, incorporated on specific request of the Company. Although the Company does not have any direct or indirect shareholdings in this entity, this SPE is considered to be controlled by the Company given the substance of its relationship. Therefore, TFL II is included in the consolidated financial statements of the Company.

The proceeds from the issuance of the Senior Secured Notes due 2016 (being € 100.0 million) were used by TFL II to fund an additional facility under the 2010 Amended Senior Credit Facility, (the "Proceeds Loan" or "Facility N"), denominated in euro, borrowed by Telenet International Finance S.à r.l. ("TIF").

The Senior Secured Notes due 2016 were issued on and the cash was received on November 26, 2010. These Senior Secured Notes due 2016 have a principal value of € 100.0 million and were issued with a premium, at 101.75%. The interest rate on the Senior Secured Notes due 2016 amounts to 5.30% annually and accrued interest is paid semi-annually on May 15 and November 15 commencing May 15, 2011. The final maturity of these Senior Secured Notes is November 15, 2016.

The net proceeds from this offering have been primarily used for general corporate purposes, including distributions to the Company's direct and indirect shareholders.

Issuance of € 300.0 million Senior Secured Fixed Rate Notes due 2021

Telenet Finance III Luxembourg S.C.A. (further referred to as "TFL III") was incorporated on January 28, 2011 under the laws of the Grand Duchy of Luxembourg as a special purpose financing company for the primary purpose of facilitating the offering of Senior Secured Notes.

On February 9, 2011 TFL III entered into a Global Note offering (the "Senior Secured Notes due 2021"). TFL III was incorporated as a corporate partnership limited by shares and is owned for 99.99% by a charitable trust and 0.01% by Telenet Finance III Luxembourg S.à r.l., a company independent from the Telenet Group.

TFL III is an SPE, incorporated on specific request of the Company. Although the Company does not have any direct or indirect shareholdings in this entity, this SPE is considered to be controlled by the Company given the substance of its relationship. Therefore, TFL III is included in the consolidated financial statements of the Company.

The proceeds from the issuance of the Senior Secured Fixed Rate Notes due 2021 (being € 300.0 million) were used by TFL III to fund an additional facility under the 2010 Amended Senior Credit Facility, (the "Finco Loan" or "Facility O"), denominated in euro, borrowed by Telenet International Finance S.à r.l. ("TIF").

The Senior Secured Fixed Rate Notes due 2021 were issued on February 9, 2011 and all cash was received on February 15, 2011. The Senior Secured Fixed Rate Notes due 2021 have a principal value of € 300.0 million and were issued at par. The interest rate on the Senior Secured Fixed Rate Notes due 2021 amounts to 6.625% annually and accrued interest is paid semi-annually on February 15 and August 15 commencing August 15, 2011. The final maturity of these Senior Secured Fixed Rate Notes is February 15, 2021.

The net proceeds from this offering were partially used to redeem before maturity the outstanding Term Loans K and L1 under the Company's 2010 Amended Senior Credit Facility for an aggregate of € 286.5 million.

Issuance of € 400.0 million Senior Secured Floating Rate Notes due 2021

Telenet Finance IV Luxembourg S.C.A. (further referred to as "TFL IV") was incorporated on May 23, 2011 under the laws of the Grand Duchy of Luxembourg as a special purpose financing company for the primary purpose of facilitating the offering of Senior Secured Notes.

On June 8, 2011 TFL IV entered into a Global Note offering (the "Senior Secured Notes due 2021"). TFL IV was incorporated as a corporate partnership limited by shares and is owned for 99.99% by a charitable trust and 0.01% by Telenet Finance IV Luxembourg S.à r.l., a company independent from the Telenet Group.

TFL IV is an SPE, incorporated on specific request of the Company. Although the Company does not have any direct or indirect shareholdings in this entity, this SPE is considered to be controlled by the Company given the substance of its relationship. Therefore, TFL IV is included in the consolidated financial statements of the Company.

The proceeds from the issuance of the Senior Secured Floating Rate Notes due 2021 (being € 400.0 million) were used by TFL IV to fund an additional facility under the 2010 Amended Senior Credit Facility, (the "Proceeds Loan" or "Facility P"), denominated in euro, borrowed by Telenet International Finance S.à r.l. ("TIF").

The Senior Secured Floating Rate Notes due 2021 were issued on June 8, 2011 and the cash was received on June 15, 2011. These Senior Secured Floating Rate Notes due 2021 have a principal value of € 400.0 million and were issued at par. The interest rate on the Senior Secured Floating Rate Notes due 2021 is the 3M EURIBOR + 3.875% and accrued interest is paid quarterly on March 15, June 15, September 15 and December 15 commencing September 15, 2011. The final maturity of these Senior Secured Notes is June 15, 2021.

The net proceeds from this offering were used to redeem € 400.1 million on the outstanding Term Loan G and J under the Company's 2010 Amended Senior Credit Facility.

Issuance of € 450.0 million Senior Secured Fixed Rate Notes due 2022 and € 250.0 million Senior Secured Fixed Rate Notes due 2024

Telenet Finance V Luxembourg S.C.A. (further referred to as "TFL V") was incorporated on November 16, 2011 under the laws of the Grand Duchy of Luxembourg as a special purpose financing company for the primary purpose of facilitating the offering of Senior Secured Notes.

On August 13, 2012 TFL V entered into two Global Note offerings (the "Senior Secured Notes due 2022" and the "Senior Secured Notes due 2024"). TFL V was incorporated as a corporate partnership limited by shares and is owned for 99.99% by a charitable trust and 0.01% by Telenet Finance V Luxembourg S.à r.l., a company independent from the Telenet Group.

TFL V is an SPE, incorporated on specific request of the Company. Although the Company does not have any direct or indirect shareholdings in this entity, this SPE is considered to be controlled by the Company given the substance of its relationship. Therefore, TFL V is included in the consolidated financial statements of the Company.

The proceeds from the issuance of the Senior Secured Fixed Rate Notes due 2022 (being € 450.0 million) and the Senior Secured Fixed Rate Notes due 2024 (being € 250.0 million) were used by TFL V to fund two additional facilities under the 2010 Amended Senior Credit Facility, (the "Finco Loan" or "Facilities U and V"), denominated in euro, borrowed by Telenet International Finance S.à r.l. ("TIF").

The Senior Secured Fixed Rate Notes due 2022 and 2024 were issued on August 13, 2012 and the cash was received on August 16, 2012. These Senior Secured Fixed Rate Notes due 2022 and 2024 have a principal value of € 450.0 million and € 250.0 million, respectively, and were issued at par.

The interest rate on the Senior Secured Fixed Rate Notes due 2022 is 6.25% annually and accrued interest is paid semi-annually on August 15 and February 15 commencing February 15, 2013. The final maturity of these Senior Secured Notes is August 15, 2022. The interest rate on the Senior Secured Fixed Rate Notes due 2024 is 6.75%

annually and accrued interest is paid semi-annually on August 15 and February 15 commencing February 15, 2013. The final maturity of these Senior Secured Notes is August 15, 2024.

The net proceeds of this offering were envisioned to be used entirely to fund the proposed share repurchases under the Self Tender Offer (see note 5.11.1). Due to the cancellation of the Self Tender Offer on September 20, 2012, the proceeds from this offering were still available as cash and cash equivalents as at December 31, 2012.

5.12.4. Repayment schedule

Aggregate future principal payments on the total borrowings under all of the Company's loans and borrowings other than finance leases as of December 31, 2013 are shown in the following table:

(in thousands of euro)	Total Facility as per	Drawn amount	Undrawn amount	Maturity Date	Interest rate	Interest payments due
	December 31, 2013					
2010 Amended Senior Credit Facility:						
Term Loan Q	431,038	431,038	-	July 31, 2017	Floating - Euribor + 3.25%	Monthly
Term Loan R	798,634	798,634	-	July 31, 2019	Floating - Euribor + 3.625%	Monthly
Term Loan T	175,000	175,000	-	December 31, 2018	Floating - Euribor + 3.50%	Monthly
Revolving Credit Facility	158,000	-	158,000	December 31, 2016	Floating - Euribor + 2.75%	Not applicable
Senior Secured Fixed Rate Notes						
€ 500 million Senior Secured Notes due 2020	500,000	500,000	-	November 15, 2020	Fixed - 6.375%	Semi-annually (May and Nov.)
€ 100 million Senior Secured Notes due 2016	100,000	100,000	-	November 15, 2016	Fixed - 5.30%	Semi-annually (May and Nov.)
€ 300 million Senior Secured Notes due 2021	300,000	300,000	-	February 15, 2021	Fixed - 6.625%	Semi-annually (Feb. and Aug.)
€ 450 million Senior Secured Notes due 2022	450,000	450,000	-	August 15, 2022	Fixed - 6.25%	Semi-annually (Feb. and Aug.)
€ 250 million Senior Secured Notes due 2024	250,000	250,000	-	August 15, 2024	Fixed - 6.75%	Semi-annually (Feb. and Aug.)
Senior Secured Floating Rate Notes						
€ 400 million Senior Secured Notes due 2021	400,000	400,000	-	June 15, 2021	Floating - 3M Euribor+3.875%	Quarterly (March, June, Sep. and Dec.)
Total notional amount	**3,562,672**	**3,404,672**	**158,000**			

5.12.5. Guarantees and covenants

Telenet NV and Telenet International Finance S.à r.l. guarantee the obligations of each of Telenet NV and Telenet International Finance S.à r.l. under the 2010 Amended Senior Credit Facility, to the extent permitted by law.

In addition, security has been granted under the 2010 Amended Senior Credit Facility by Telenet Group Holding NV, Telenet Service Center BVBA, Telenet NV, Telenet Vlaanderen NV and Telenet International Finance S.à r.l. over substantially all their assets.

The above-mentioned security interests include:

- pledges of all shares of Telenet NV, Telenet Vlaanderen NV and Telenet International Finance S.à r.l.;
- mortgages of (i) € 800 million granted by the former Telenet Operaties NV (succeeded by Telenet NV), (ii) € 625 million granted by the former MixtICS NV (succeeded by Telenet NV), (iii) € 625 million granted by Telenet Vlaanderen NV, and (iv) € 50 million granted by the former Telenet Solutions NV (succeeded by Telenet NV); a portion of the mortgages have been granted in a non-joined (non-cumulative) manner with certain other mortgages and certain floating charges;
- non-exercised mortgage mandates of (i) € 650 million granted by Telenet NV (formerly called Telenet BidCo NV), (ii) € 450 million granted by the former Telenet Operaties NV (succeeded by Telenet NV), (iii) € 450 million granted by the former MixtICS NV (succeeded by Telenet NV) and (iv) € 450 million granted by Telenet Vlaanderen NV;
- floating charges (pand op handelszaak) of (i) € 1.25 billion granted by the former Telenet Operaties NV (succeeded by Telenet NV), (ii) € 135 million granted by Telenet NV, (iii) € 250 million granted by Telenet NV (formerly called Telenet BidCo NV), (iv) € 865 million granted by the former MixtICS NV (succeeded by Telenet NV), (v) € 865 million granted by Telenet Vlaanderen NV, (vi) € 75 million granted by the former PayTVCo NV (succeeded by Telenet NV) and (vii) € 75 million granted by the former Telenet Solutions NV (succeeded by Telenet NV); a portion of the floating charges have been granted in a non-joined manner (non-cumulative) with certain other floating charges and certain mortgages;
- a non-exercised floating charge mandate of € 865 million granted by Telenet NV, which is granted in a non-joined (non-cumulative) manner with the floating charges referred to in (i), (iv), (vi) and (vii) above;
- pledges of all present and future receivables owed to Telenet Group Holding NV, Telenet NV and Telenet Vlaanderen NV;
- pledges of all present and future securities (other than shares in subsidiaries) held by Telenet NV and Telenet Vlaanderen NV;
- a pledge over all present and future notes issued by Finance Center Telenet S.à r.l. and owned by Telenet International Finance S.à r.l.
- pledges of all present and future intercompany receivables owed to Telenet International Finance S.à r.l. by Telenet NV, Telenet Luxembourg Finance Center S.à r.l and Finance Center Telenet S.à r.l.; and
- pledges on all present and future bank accounts of Telenet Group Holding NV, Telenet NV, Telenet Vlaanderen NV and Telenet International Finance S.à r.l.

The total executable principal amount under the mortgages and floating charges, taking into account non-cumulation within and between floating charges and mortgages, was € 2,125,000,000 on December 31, 2013.

As of December 31, 2013, the Company was in compliance with all of its financial covenants.

In respect of the obligations under the notes issued by Telenet Finance Luxembourg S.C.A., security has been granted to the trustee under the notes on behalf of itself and the holders of the notes over:

- all of the issued ordinary shares of Telenet Finance Luxembourg S.C.A.;
- all of the issued shares of Telenet Finance S.à r.l. (Telenet Finance Luxembourg S.C.A.'s general partner);
- all of Telenet Finance Luxembourg S.C.A.'s rights, title and interest under the 2010 Amended Senior Credit Facility, the intercreditor agreement dated October 10, 2007 and the additional facility M accession agreement pursuant to which Telenet Finance Luxembourg S.C.A. has become a lender under the 2010 Amended Senior Credit Facility;
- all of Telenet Finance Luxembourg S.C.A.'s rights, title and interest under the fee letter and the service agreement related to the notes issuance; and
- all sums of money held from time to time in Telenet Finance Luxembourg S.C.A.'s bank account.

Telenet International Finance S.à r.l.'s payment obligations under the fee letter and the service agreement are guaranteed by Telenet NV to Telenet Finance Luxembourg S.C.A.

In respect of the obligations under the notes issued by Telenet Finance Luxembourg II S.A., security has been granted to the trustee under the notes for the benefit of, among others, the noteholders:

- pledge over all of the issued shares of Telenet Finance Luxembourg II S.A.;
- assignment by way of security of all of Telenet Finance Luxembourg II S.A.'s rights, title and interest under the 2010 Amended Senior Credit Facility and the additional facility N accession agreement pursuant to which Telenet Finance Luxembourg II S.A. has become a lender under the 2010 Amended Senior Credit Facility;
- assignment by way of security of all of Telenet Finance Luxembourg II S.A.'s rights, title and interest under the fee letter and the service agreement related to the notes issuance; and
- assignment by way of security of all of Telenet Finance Luxembourg II S.A.'s rights, title and interest under the agency agreement in relation to the issuance.

Telenet International Finance S.à r.l.'s payment obligations under the fee letter and the service agreement are guaranteed by Telenet NV to Telenet Finance Luxembourg II S.A.

In respect of the obligations under the notes issued by Telenet Finance III Luxembourg S.C.A., security has been granted to the trustee under the notes on behalf of itself and the holders of the notes over:

- all of the issued ordinary shares of Telenet Finance III Luxembourg S.C.A.;
- all of the issued shares of Telenet Finance III S.à r.l. (Telenet Finance III Luxembourg S.C.A.'s general partner);
- all of Telenet Finance III Luxembourg S.C.A.'s rights, title and interest under the 2012 Amended Senior Credit Facility, the intercreditor agreement dated October 10, 2007 and the additional facility O accession agreement pursuant to which Telenet Finance III Luxembourg S.C.A. has become a lender under the 2010 Amended Senior Credit Facility;
- all of Telenet Finance III Luxembourg S.C.A.'s rights, title and interest under the fee letter and the service agreement related to the notes issuance; and
- all sums of money held from time to time in Telenet Finance III Luxembourg S.C.A.'s bank account.

Telenet International Finance S.à r.l.'s payment obligations under the fee letter and the service agreement are guaranteed by Telenet NV to Telenet Finance III Luxembourg S.C.A.

In respect of the obligations under the notes issued by Telenet Finance IV Luxembourg S.C.A., security has been granted to the trustee under the notes on behalf of itself and the holders of the notes over:

- all of the issued ordinary shares of Telenet Finance IV Luxembourg S.C.A.;
- all of the issued shares of Telenet Finance IV S.à r.l. (Telenet Finance IV Luxembourg S.C.A.'s general partner);
- all of Telenet Finance IV Luxembourg S.C.A.'s rights, title and interest under the 2010 Amended Senior Credit Facility, the intercreditor agreement dated October 10, 2007 and the additional facility P accession agreement pursuant to which Telenet Finance IV Luxembourg S.C.A. has become a lender under the 2010 Amended Senior Credit Facility;
- all of Telenet Finance IV Luxembourg S.C.A.'s rights, title and interest under the fee letter and the service agreement related to the notes issuance; and
- all sums of money held from time to time in Telenet Finance IV Luxembourg S.C.A.'s bank account.

Telenet International Finance S.à r.l.'s payment obligations under the fee letter and the service agreement are guaranteed by Telenet NV to Telenet Finance IV Luxembourg S.C.A.

In respect of the obligations under the notes issued by Telenet Finance V Luxembourg S.C.A., security has been granted to the trustee under the notes on behalf of itself and the holders of the notes over:

- all of the issued ordinary shares of Telenet Finance V Luxembourg S.C.A.;
- all of the issued shares of Telenet Finance V S.à r.l. (Telenet Finance V Luxembourg S.C.A.'s general partner);
- all of Telenet Finance V Luxembourg S.C.A.'s rights, title and interest under the 2010 Amended Senior Credit Facility, the intercreditor agreement dated October 10, 2007, the additional facility U accession agreement and the additional facility V accession agreement pursuant to which Telenet Finance V Luxembourg S.C.A. has become a lender under the 2010 Amended Senior Credit Facility;
- all of Telenet Finance V Luxembourg S.C.A.'s rights, title and interest under the fee letter and the service agreement related to the notes issuance; and
- all sums of money held from time to time in Telenet Finance V Luxembourg S.C.A.'s bank account.

Telenet International Finance S.à r.l.'s payment obligations under the fee letter and the service agreement are guaranteed by Telenet NV to Telenet Finance V Luxembourg S.C.A.

5.12.6. Finance lease obligations

Finance lease liabilities are payable as follows:

	Future minimum lease payments		Interest		Present value of future minimum lease payments	
(in thousands of euro)	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Within one year	56,381	49,669	21,688	19,800	34,693	29,869
In the second to fifth year, inclusive	201,881	192,405	65,211	64,379	136,670	128,026
Thereafter	220,502	216,488	39,285	40,104	181,217	176,384
Total minimum lease payments	**478,764**	**458,562**	**126,184**	**124,283**	**352,580**	**334,279**

The following table summarizes the obligations per type of finance leases:

	Future minimum lease payments		Interest		Present value of future minimum lease payments	
(in thousands of euro)	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Buildings	28,211	33,708	4,583	5,569	23,628	28,139
Canon	415,599	386,570	112,255	107,715	303,344	278,855
Norkring (Digital Terrestrial Television)	34,954	38,284	9,346	10,999	25,608	27,285
Total minimum lease payments	**478,764**	**458,562**	**126,184**	**124,283**	**352,580**	**334,279**

Canon, Clientele and Annuity agreements

In 1996, the Company acquired the exclusive rights to offer point-to-point services including broadband internet and telephony services, as well as the rights to partly use the capacity of the broadband network owned and controlled by the Pure Intercommunales ("PICs"). In return for this access to a part of the PICs' network, the company paid the so-called Clientele and Annuity Fees. The present value of the Clientele and Annuity Fee payments over the first 20 years (being the life of the longest lived assets that are part of the HFC Upgrade) was initially accounted for as network user rights under intangible assets, and was amortized over 10 or 20 years depending on the useful life of the underlying assets that make up the HFC Upgrade.

Upon completion of the Interkabel acquisition in 2008, the company obtained the ownership and control over the entire network, including the obligation beyond 20 years under the original 50 year Clientele fee agreement and now has the right to use the full capacity of the PICs' network. The term of the Canon Lease Agreement is 38 years (of which still 33 years remained at the end of 2013). Under this agreement, the Company pays recurring Canon Fees which together with the Clientele and Annuity Fees grant full access to the PICs' network. The assets capitalized under the Canon Agreement are depreciated over a period of 15 years.

For the year ended December 31, 2013, the average effective borrowing rate for the three above mentioned fees was 6.56% (2012: 6.63%).

Norkring

On May 4, 2010, the Company signed an agreement with Norkring België NV concerning the use of capacity on the latter's broadcasting infrastructure network enabling Telenet to offer digital TV and radio services through Norkring's digital frequency channels in Flanders and Brussels, also referred to as "DTT". Generally, the Company's services are available through the cable network, however through this agreement, the Company would also be able to offer digital TV and radio services - beyond the traditional home - to secluded homes, caravans, holiday homes and cars.

The Norkring agreement provides a right to use Norkring's frequency channels contained in three of their multiplexers (MUX) on an exclusive and non-exclusive basis. This agreement contains a lease with respect to certain capacity for which the Company has obtained the exclusive rights, the so-called "MUX 1 capacity". Regarding this MUX 1 capacity, an intangible lease asset was recognized under "network user rights" for a net book value of € 30.1 million at December 31, 2010. In 2011, the Company recognized an impairment loss of € 28.5 million related to this asset, reducing its carrying value to zero as of December 31, 2011. The average effective borrowing rate for the Norkring fee was 6.23% (2012: 6.23%). Payments under the Norkring agreement not related to the "MUX 1 capacity" are accounted for as operating expenses as incurred.

With respect to the Company's decision in the fourth quarter of 2013 to discontinue the provision of DTT services and the related restructuring provision recognized as of December 31, 2013, we refer to note 5.15.

Other leases

The Company leases certain assets under finance leases including buildings and certain vehicles with average lease terms of 20 and 5 years, respectively.

For the year ended December 31, 2013, the average effective borrowing rate was 3.91% (2012: 3.62%). All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The Company's obligations under finance leases are secured by the lessors' title to the leased assets.

5.12.7. 3G and 2G mobile spectrum

Following an auction launched in March 2011 by the BIPT, Telenet Tecteo BidCo NV, a subsidiary of the Company in which the Walloon cable operator Tecteo SCRL holds a 25% stake, acquired the fourth 3G mobile spectrum license in Belgium (see note 5.6). For the year ended December 31, 2013, the average effective borrowing rate for the 3G mobile spectrum was 2.75% (2012: 4.25%).

With respect to the impairment loss on the intangible asset related to this 3G mobile spectrum license recognized during the fourth quarter of 2013, we refer to note 5.6.

5.13. Derivative financial instruments

The Company has entered into various derivative instruments to manage interest rate and foreign currency exposure.

As of December 31, 2013 and 2012, the outstanding forward foreign exchange derivatives were as follows:

(in thousands of euro)	December 31, 2013	December 31, 2012
Forward Purchase Contracts		
Notional amount in US dollar	43,000	37,000
Weighted average strike price (US dollar per euro)	1.350	1.259
Maturity	From January to December 2014	From January to December 2013

As of December 31, 2013 and 2012, the outstanding interest rate derivatives were as follows:

(in thousands of euro)	December 31, 2013	December 31, 2012
Interest Rate Swaps		
Notional amount	2,275,000	2,275,000
Average pay interest rate	3.24%	3.24%
Average receive interest rate	EURIBOR 3M	EURIBOR 3M
Maturity	From 2015 to 2021	From 2015 to 2021
Basis Swaps		
Notional amount	-	150,000
Average pay interest rate	-	EURIBOR 3M
Average receive interest rate	-	EURIBOR 1M+0.30%
Maturity	-	2013
Caps		
Notional amount	53,024	54,512
Average cap interest rate	4.59%	4.62%
Maturity	2017	2017
Collars		
Notional amount	950,000	950,000
Average floor interest rate	2.00%	2.00%
Average cap interest rate	4.00%	4.00%
Maturity	2017	2017

The following tables provide details of the fair value of the Company's financial and derivative instrument assets (liabilities), net:

(in thousands of euro)	December 31, 2013	December 31, 2012
Current assets	3	-
Non-current assets	63	63
Current liabilities	(39,850)	(42,481)
Non-current liabilities	(110,959)	(164,636)
	(150,743)	**(207,054)**
Interest rate derivatives	(150,060)	(205,595)
Foreign exchange forwards	(689)	(1,402)
Embedded derivatives	6	(57)
	(150,743)	**(207,054)**

Realized and unrealized gains (losses) on financial and derivative instruments comprise the following amounts:

(in thousands of euro)	December 31, 2013	December 31, 2012
Interest rate derivatives	55,535	(83,217)
Own shares acquired	-	(721)
Foreign exchange forwards	713	(3,105)
Embedded derivatives	40	21
	56,288	**(87,022)**

The cumulative impact of all the derivative instruments has been allocated to earnings as follows:

(in thousands of euro)	Increase (decrease) in fair value	Increase (decrease) in operating profit & CAPEX	Cash received (paid)	Increase (decrease) in earnings
January 1, 2012	**(120,791)**	**97**	**(97,898)**	**(218,592)**
Change in fair value of interest rate derivatives and forward contracts	(86,284)	-	-	(86,284)
Embedded derivatives at fair value through comprehensive income	21	-	-	21
Operating profit & CAPEX impact embedded derivatives	-	(38)	-	(38)
Own shares	(721)	-	-	(721)
December 31, 2012	**(207,775)**	**59**	**(97,898)**	**(305,614)**

(in thousands of euro)				
January 1, 2013	**(207,775)**	**59**	**(97,898)**	**(305,614)**
Change in fair value of interest rate derivatives and forward contracts	56,271	-	-	56,271
Embedded derivatives at fair value through comprehensive income	40	-	-	40
Operating profit & CAPEX impact embedded derivatives	-	(23)	-	(23)
December 31, 2013	**(151,464)**	**36**	**(97,898)**	**(249,326)**

5.14. Deferred taxes

Telenet Group Holding NV and its consolidated subsidiaries each file separate tax returns, except for Telenet International Finance S.à r.l., Finance Center Telenet S.à r.l., Telenet Luxembourg finance Center S.à r.l. and Magrina S.à r.l. which form a Luxembourg fiscal unity, in accordance with applicable local tax laws. For financial reporting purposes, Telenet Group Holding NV and its subsidiaries calculate their respective tax assets and liabilities on a separate-return basis, except for the aforementioned Luxembourg fiscal unity. These assets and liabilities are combined in the accompanying consolidated financial statements.

The movement in deferred tax assets and liabilities during the current and the prior year, without taking into consideration the offsetting of balances within the same tax entity, is as follows:

(in thousands of euro)	**January 1, 2013 as restated***	**(Charged) credited to the statement of profit or loss and other comprehensive income**	**December 31, 2013**
Deferred tax assets:			
Financial instruments	60,710	(16,497)	44,213
Lease obligation	9,603	(1,082)	8,521
Pensions	174	(174)	-
Tax loss carry-forwards	9	32,747	32,756
Other	26,420	(10,836)	15,584
Total Deferred tax assets	**96,916**	**4.158**(1)	**101.074**(2)
Deferred tax liabilities:			
Property and equipment	(44,171)	(3,332)	(47,503)
Provisions	(26,764)	(9,808)	(36,572)
Goodwill	(21,589)	(4,269)	(25,858)
Intangible assets	(23,175)	18,604	(4,571)
Receivables	(9,405)	4,033	(5,372)
Deferred Financing Fees	(6,073)	486	(5,587)
Other	(3,906)	976	(2,930)
Total Deferred tax liabilities	**(135,083)**	**6.690**(1)	**(128.393)**(2)

(in thousands of euro)	**Statement of profit or loss and other comprehensive income**(1)	**Statement of financial position**(2)
Deferred tax assets	4,158	101,074
Deferred tax liabilities	6,690	(128,393)
	10,848	**(27,319)**
Statement of comprehensive income (see Note 5.21)		
Deferred tax (benefit) / expense	(10,848)	
Current tax expense	77,176	
	66,328	
Balance Sheet		
Deferred tax assets		82,117
Deferred tax liabilities		(109,436)
		(27,319)

* See note 5.2.20

(in thousands of euro)	January 1, 2012 as restated*	(Charged) credited to the statement of profit or loss and other comprehensive income	December 31, 2012 as restated*
Deferred tax assets:			
Financial instruments	34,846	25,864	60,710
Lease obligation	11,240	(1,637)	9,603
Pensions	1,499	(1,325)	174
Tax loss carry-forwards	42,507	(42,498)	9
Other	24,694	1,726	26,420
Total Deferred tax assets	**114,786**	**(17,870)(1)**	**96,916(2)**
Deferred tax liabilities:			
Property and equipment	(22,625)	(21,546)	(44,171)
Provisions	(15,309)	(11,455)	(26,764)
Goodwill	(15,971)	(5,618)	(21,589)
Intangible assets	(48,175)	25,000	(23,175)
Investments	(49)	49	-
Receivables	(18,646)	9,241	(9,405)
Deferred Financing Fees	(6,741)	668	(6,073)
Other	(3,115)	(791)	(3,906)
Total Deferred tax liabilities	**(130,631)**	**(4.452)(1)**	**(135.083)(2)**

(in thousands of euro)	Statement of profit or loss and other comprehensive income(1)	Statement of financial position as restated*(2)
Deferred tax assets	(17,870)	96,916
Deferred tax liabilities	(4,452)	(135,083)
	(22,322)	**(38,167)**
Statement of comprehensive income (see Note 5.21)		
Deferred tax (benefit) / expense	22,322	
Deferred tax Other comprehensive income	739	
Current tax expense	10,985	
	34,046	
Balance Sheet		
Deferred tax assets		42,303
Deferred tax liabilities		(80,470)
		(38,167)

* See note 5.2.20

As of December 31, 2013, Telenet Group Holding NV and its subsidiaries had available combined cumulative tax loss carry forwards of € 358.1 million (2012: € 233.9 million). Under current Belgian and Luxembourg tax laws, these loss carry forwards have an indefinite life and may be used to offset the future taxable income of Telenet Group Holding NV and its subsidiaries.

Deferred tax assets are recognized for tax loss carry forwards to the extent that the realization of the related tax benefit through the future taxable profits is probable.

Telenet did not recognize deferred tax assets of € 75.3 million (2012: € 69.3 million) in respect of losses amounting to € 358.1 million (2012: € 233.9 million) that can be carried forward against future taxable income because it is not considered more likely than not that these net deferred tax assets will be utilized in the foreseeable future.

5.15. Other non-current liabilities

(in thousands of euro)	Note	**December 31, 2013**	**December 31, 2012 as restated***
Employee benefit obligations	5.16	13,400	12,661
Other personnel related obligations		1,258	1,322
Long service awards	5.16	6,969	6,054
Interkabel out of market opex		13,609	13,224
Asset retirement obligations		3,484	3,465
Liabilities regarding sports broadcasting rights	5.6	15,030	20,533
Restructuring provision Norkring		33,931	-
Other		3,147	5,783
Total Other liabilities		**90,828**	**63,042**

* See note 5.2.20

During the fourth quarter of 2013, the Company decided to discontinue the provision of DTT services which is expected to occur in the first half of 2014. Following this decision, the Company determined that its obligations under the DTT capacity agreement with Norkring België NV constitute an onerous contract as at December 31, 2013. The Company measured the required provision as the net present value of the remaining payments due under this DTT capacity agreement. Telenet recognized the € 33.9 million provision as a restructuring expense at December 31, 2013.

The acquisition by Telenet in 2011 of the Belgian football broadcasting rights resulted in the recognition of liabilities totaling € 155.1 million at the inception of the agreement. At December 31, 2013, the remaining non-current and current liabilities with respect to these broadcasting rights amounted to € 0.0 million and € 17.2 million (see note 5.17), respectively (compared to € 15.5 million and € 56.8 million as per December 31, 2012).

The operational expenses charged to Telenet by Interkabel for the maintenance of its network are higher than the Company's benchmark expenses for similar operations and therefore includes an unfavorable out of market element. At the occasion of the Interkabel acquisition, this out of market element was valued. The underlying liability at December 31, 2013 amounted to € 13.6 million (2012: € 13.2 million).

5.16. Employee benefit plans

Assets and liabilities carried on the consolidated statement of financial position, related to the Company's benefit plans can be summarized as follows:

(in thousands of euro)	Note	December 31, 2013 Total employee benefit plans	December 31, 2013 of which Defined benefit pension plans	December 31, 2013 of which Other post retirement plans	December 31, 2012 as restated* Total employee benefit plans	December 31, 2012 as restated* of which Defined benefit pension plans	December 31, 2012 as restated* of which Other post retirement plans
			Note 5.16			Note 5.16	
Defined benefit pension plans		3,053	3,053	-	2,572	2,572	-
Other post-retirement plans		10,347	-	10,347	10,089	-	10,089
Total LT employee benefit obligations	5.15	**13,400**	**3,053**	**10,347**	**12,661**	**2,572**	**10,089**
Total LT service awards	5.15	**6,969**	**-**	**-**	**6,054**	**-**	**-**
Total ST service awards		**-**	**-**	**-**	**501**	**-**	**-**
Total employee benefit plans liability/(asset)		**20,369**	**3,053**	**10,347**	**19,216**	**2,572**	**10,089**

* See note 5.2.20

The Telenet Pension Plan

Total employer contributions to the Telenet Pension Plan for 2013 amounted to € 3.4 million (2012: € 2.8 million).

The majority of Telenet's employees participate in the Telenet Pension Plan funded through a pension fund. The accumulated assets in the pension fund amounted to € 46.2 million at December 31, 2013 (2012: € 39.3 million).

The Company's pension fund is actively managed by two independent asset management firms. The investment strategy is based a balanced neutral risk profile with a long-term investment horizon. The Company's pension fund primarily contains investments in investment funds, either active or passive, with a balanced strategic allocation comprising a mix of 45% equities, 50% bonds and 5% real estate. The pension fund's performance is monitored and analyzed on a monthly basis by the pension fund's in-house investment specialist and discussed and reviewed on a quarterly basis by the pension fund's board of directors.

By law, employers are required to provide an average minimum guaranteed rate of return over the employee's career equal to 3.75% on employee contributions and 3.25% on employer contributions paid as from January 1, 2004 onwards. Since the benefit obligations, taking into account the minimum guaranteed rates of return, were entirely covered by plan assets and there were no recoverable contributions, no amounts were recognized in the statement of financial position at December 31, 2013 and 2012.

Long service awards

The Company has also recognized a liability of € 7.0 million at December 31, 2013 (2012: € 6.1 million) for long service awards, which have the form of jubilee benefits.

Defined benefit pension plans and other post-retirement benefit plans

Former Electrabel (ICS) employees as well as some other employees are covered by defined benefit pension plans, which provide benefits based on the employees' final salaries and the years of service. In accordance with local practice, the benefits are normally paid out in the form of a lump sum.

The defined benefit pension plans are financed through insurance contracts, which provide a guaranteed rate of return. The pension plans are subject to a minimum funding requirement which is based on the vested reserves to which the plan participants are entitled in case of leaving. The plan assets do not include any shares issued by Telenet or property occupied by Telenet.

Telenet also provides post-retirement health care benefits to former Electrabel (ICS) employees. These obligations are financed directly by the Company.

Those plans expose the Company to various risks such as interest rate risk (a decrease of bond yields will increase the benefit obligations), investment risk (a lower return on plan assets will decrease the funded status), longevity risk (an increase in life expectancy will increase the benefit obligations for the post-retirement health care plan) and inflation risk (higher than expected salary increases or medical cost increases will increase the benefit obligations).

The defined benefit obligation, the fair value of the plan assets and the net defined benefit liability/(asset) reconcile as follows (excluding the Telenet Pension Plan):

	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit liability (asset)	
(in thousands of euro)	2013	2012 as restated*	2013	2012 as restated*	2013	2012 as restated*
At January 1	**24,212**	**20,115**	**(11,551)**	**(10,093)**	**12,661**	**10,022**
Components of defined benefit cost included in profit or loss						
Current service cost (incl. administration costs)	2,073	1,824	55	54	2,128	1,878
Interest cost / (income)	777	874	(312)	(471)	465	403
	2,850	**2,698**	**(257)**	**(417)**	**2,593**	**2,281**
Components of defined benefit cost included in OCI						
Remeasurements						
Actuarial loss (gain) arising from:						
Changes to demographic assumptions		(1,897)				(1,897)
Changes to financial assumptions	(1,018)	4,298			(1,018)	4,298
Experience adjustments	1,359	(353)			1,359	(353)
Return on plan assets excluding interest income			1,118	144	1,118	144
	341	**2,048**	**1,118**	**144**	**1,459**	**2,192**
Other						
Contributions paid by the employee	398	55	(398)	(55)	0	0
Contributions paid by the employer (incl. taxes)			(3,313)	(1,834)	(3,313)	(1,834)
Benefits paid (incl. taxes)	(2,046)	(704)	2,046	704	0	0
	(1,648)	**(649)**	**(1,665)**	**(1,185)**	**(3,313)**	**(1,834)**
At December 31	**25,755**	**24,212**	**(12,355)**	**(11,551)**	**13,400**	**12,661**

Represented by:	2013	2012 as restated*
Defined Benefit Pension Plans	3,053	2,572
Other post-retirement plans	10,347	10,089
Total	**13,400**	**12,661**

* See note 5.2.20

The principal actuarial assumptions used for the purpose of the actuarial valuations are as follows:

	Defined Benefit Pension Plans		Other post-retirement plans	
Actuarial assumptions as per December 31	**2013**	**2012**	**2013**	**2012**
Discount rate	3.25%	3.00%	3.25%	3.00%
Rate of compensation increase	3.07%	3.07%	-	-
Underlying inflation rate	2.00%	2.00%	2.00%	2.00%
Increase of medical benefits	-	-	4.00%	4.00%
Mortality tables	MR/FR-3	MR/FR-3	MR/FR-3	MR/FR-3

The following table shows a sensitivity analysis for the key assumptions:

		Defined Benefit Obligation	
Sensitivity analysis	**Change (-) / (+)**	**decrease (-)**	**increase (+)**
Discount rate	0.25%	26,737	24,808
Rate of compensation increase	0.25%	23,806	27,863
Increase of medical benefits	0.25%	25,160	26,363
Mortality tables	1 year	25,335	26,181

The sensitivity analysis reflects the impact of a change in one assumption while keeping all other assumptions constant. In practice, this is unlikely to be the case as some assumptions may be correlated.

The weighted average duration of the benefit obligations equals 13 years.

The contributions towards defined benefit plans for 2014 are estimated at € 2.9 million.

5.17. Accrued expenses and other current liabilities

(in thousands of euro)	Note	December 31, 2013	December 31, 2012
Customer deposits		22,757	23,264
Compensation and employee benefits		64,221	52,569
VAT and withholding taxes		31,640	38,693
Dividend payable to shareholders		1,017	1,685
Current portion of "Interkabel out of market component" liability		0	936
Accrued programming fees		66,378	49,237
Accrued capital expenditure		20,063	18,597
Accrued other liabilities - invoices to receive regarding:			
Goods received and services performed		28,763	27,044
Professional fees		15,254	20,315
Warehouse items received		4,363	10,638
Interconnect		18,839	21,888
Advertising, marketing and public relations		4,338	15,914
Infrastructure		8,560	8,365
Other		19,965	23,852
Accrued interest on derivatives		4,890	4,855
Liabilities regarding sports broadcasting rights	5.6	28,491	61,810
Other current liabilities		1,019	708
Total Accrued expenses and other current liabilities		**340,558**	**380,370**

Compared to December 31, 2012, total accrued expenses and other current liabilities decreased by € 39.8 million to € 340.6 million as of December 31, 2013. This is mainly due to the reduction in liabilities for sports broadcasting rights (€ 33.3 million) as the Belgian football broadcasting rights, which were acquired in June 2011, will expire in May 2014. Total accrued other liabilities related to invoices to receive decreased by € 27.9 million and amounted to € 100.1 million as at December 31, 2013 (2012: € 128.0 million). Accrued programming fees increased with € 17.1 million, while accrued compensation and employee benefits increased 22.2%.

5.18. Revenue

The Company's revenue is comprised of the following:

For the years ended December 31, (in thousands of euro)	**2013**	**2012**
Cable television:		
Basic Subscribers [1]	314,678	319,690
Premium Subscribers [1]	235,716	227,726
Residential:		
Internet	469,334	453,805
Telephony [2]	469,503	333,426
Distributors/Other	61,280	62,353
Business	90,779	91,773
Total Revenue	**1,641,290**	**1,488,773**

For the year ended December 31, 2013, Telenet generated revenue of € 1,641.3 million, up 10% compared to the year ended December 31, 2012 when Telenet produced revenue of € 1,488.8 million. All of Telenet's revenue growth for the year ended December 31, 2013 was organic and predominantly attributable to the robust growth of its mobile business, characterized by strong RGU and ARPU growth of 44% and 7%, respectively. Telenet's fixed business also contributed to revenue growth, driven by both further RGU growth and the benefit from the selective 2.9% price increase on certain fixed services (excluding the basic cable television subscription fee) implemented in February 2013, partially offset by the proportion of bundle discounts allocated to fixed services prior to November 2013 as a result of mobile subscriber growth.

The Company also has deferred revenue as follows:

For the years ended December 31, (in thousands of euro)	**2013**	**2012**
Cable television:		
Basic Subscribers [1]	25,405	34,031
Premium Subscribers [1]	2,254	2,524
Residential:		
Internet	11,486	11,481
Telephony [2]	6,996	9,997
Distributors/Other	29,762	24,568
Business	5,764	1,528
Total Deferred Revenue	**81,667**	**84,129**
Current portion	78,985	81,563
Non-current portion	2,682	2,566

Deferred revenue is generally fees prepaid by the customers and, as discussed in note 5.2.9 to the consolidated financial statements of the Company, is recognized in the statement of profit or loss and other comprehensive income on a straight-line basis over the related service period.

1 Basic and premium cable television substantially comprises residential customers, but also includes a small portion of business customers.
2 Residential telephony revenue includes the recurring subscription-based revenue from both fixed and mobile telephony subscribers as well as the interconnection revenue generated by these customers.

5.19. Expenses by nature

For the years ended December 31, (in thousands of euro)	Note	**2013**	**2012 as restated***
Employee benefits:			
Wages, salaries, commissions and social security costs		130,190	124,532
Other employee benefit costs		23,198	18,204
		153,388	**142,736**
Depreciation	5.4	231,649	259,062
Amortization	5.6	82,411	79,936
Amortization of broadcasting rights	5.6	43,721	39,595
Impairment of other intangible assets	5.6	53,279	-
Restructuring charges		34,755	-
(Gain)/Loss on disposal of property and equipment and other intangible assets		(2,942)	1,705
Network operating and service costs		519,877	445,469
Advertising, sales and marketing		73,107	74,211
Share-based payments granted to directors and employees		10,547	6,943
Operating charges related to acquisitions or divestitures		-	888
Other costs		52,338	48,544
Total costs and expenses		**1,252,130**	**1,099,089**

* See note 5.2.20

For the year ended December 31, 2013, Telenet incurred total operating expenses of € 1,252.1 million, representing an increase of 14% compared to the year ended December 31, 2012 when total operating expenses reached € 1,099.1 million. The increase in operating expenses was driven by higher network operating and service costs, reflecting the growth in Telenet's mobile subscriber base, as well as higher employee benefit expenses and expenses related to share based compensation. Expense growth for the year ended December 31, 2013 was furthermore affected by three nonrecurring items: (i) an impairment charge of € 53.3 million to reduce the carrying amount of the 3G mobile spectrum license to zero following Telenet's assessment that it will not be able to utilize the spectrum rights following the conclusion of negotiations with network operators in Belgium in December 2013 and the absence of regulatory alternatives, (ii) a restructuring charge of € 34.8 million, reflecting Telenet's December 2013 decision to discontinue the provision of DTT (digital terrestrial television) services, and (iii) the benefit from a € 15.7 million reversal of depreciation charges following a settlement on set-top box related import duties. Excluding these nonrecurring elements, total operating expenses for the year ended December 31, 2013 were up 7% compared to the year ended December 31, 2012.

The number of full-time equivalents employed by the Company at December 31, 2013 was 2,202 (2012: 2,141).

5.20. Finance income / expense

For the years ended December 31, (in thousands of euro)	2013	2012
Recognized in the statement of profit or loss and comprehensive income		
Finance income		
Net interest income and foreign exchange gain		
Interest income on bank deposits and commercial paper	1,139	2,913
Interest income on receivables	1,044	1,628
Net foreign exchange gain	-	2,039
	2,183	**6,580**
Net gain on derivative financial instruments	56,288	-
	58,471	**6,580**
Finance expense		
Net interest expense, foreign exchange loss and other finance expense		
Interest expense on financial liabilities measured at amortized cost, and other finance expense	(211,134)	(193,553)
Net interest expense on derivatives at fair value through statement of profit or loss and other comprehensive income	(45,571)	(41,943)
Amortization of financing cost	(7,270)	(6,380)
Net foreign exchange loss	(965)	-
	(264,940)	**(241,876)**
Net loss on derivative financial instruments	-	(87,022)
	(264,940)	**(328,898)**
Net finance expenses	**(206,469)**	**(322,318)**

5.21. Income tax expense

For the years ended December 31, (in thousands of euro)	**2013**	**2012 as restated***
Current tax expense	77,176	10,985
Deferred tax expense (Note 5.14)	(10,848)	23,061
Income tax expense	**66,328**	**34,046**

* See note 5.2.20

The tax on the Company's profit (loss) before tax differs from the theoretical amount that would arise using the Belgian statutory tax rate applicable to profits (losses) of the consolidated companies as follows:

For the years ended December 31, (in thousands of euro)	**2013**	**2012 as restated***
Profit before tax	182,692	67,323
Income tax expense at the Belgian statutory rate of 33.99%	62,097	22,869
Income not taxable	(47,596)	(3,124)
Expenses not deductible for tax purposes	34,811	7,867
Benefit of the investment deduction	(5,090)	(5,069)
Adjustments recognized in the current year in relation to the filings for prior years	(472)	389
Impact of different tax rates	(3,637)	2,537
Utilisation of previously unrecognized tax losses	(11)	(5,484)
Tax losses and temporary differences for which no deferred tax asset was recognized	6,641	14,061
Tax on capital gain on shares	18,296	-
Penalty for insufficient prepayments	1,289	-
Tax expense for the year	**66,328**	**34,046**

* See note 5.2.20

The tax losses and temporary differences for which no deferred tax asset is recognized amounted to € 6.6 million for the year ended December 31, 2013 (€ 14.1 million for the year ended December 31, 2012) and consisted of positions resulting in a deferred tax asset which is nevertheless not recognized as it is not deemed probable that taxable profit will be available against which the unused tax losses can be utilized in future years.

Utilization of previously unrecognized tax losses (€ 5.5 million for the year ended December 31, 2012) related to positions for which in the past no deferred tax asset was recognized as it was not deemed probable that taxable profit would be available in future years against which the unused tax losses could be utilized, though that have been recognized in the current year as, based on the most recent results, it became sufficiently probable that they can be utilized.

5.22. Earnings per share

5.22.1. Basic

The earnings and weighted average number of shares used in calculating basic earnings per share are:

For the years ended December 31, *(in thousands of euro, except share and per share data)*	**2013**	**2012 as restated***
Net profit attributable to the equity holders of the Company	116,355	33,270
Weighted average number of ordinary shares	114,417,532	113,036,711
Weighted average number of shares used in the calculation of basic earnings per share	**114,417,532**	**113,036,711**
Basic earnings per share in €	1.02	0.29

* See note 5.2.20

5.22.2. Diluted

Diluted earnings per share are calculated by using the treasury stock method by adjusting the weighted average number of shares used in the calculation of basic earnings per share to assume full conversion of all dilutive potential ordinary shares. During the year ended December 31, 2013, the Company had eleven categories of dilutive potential ordinary shares:

- Warrant Plan 2007 bis
- Warrant Plan 2007 ter
- Warrant Plan 2007 quater
- Warrant Plan 2007 quinquies
- Warrant Plan 2007 sexies
- Warrant Plan 2007 septies
- Warrant Plan 2008
- Warrant Plan 2009
- Warrant Plan 2010 primo
- Warrant Plan 2010 bis
- Warrant Plan 2010 ter

During the year ended December 31, 2012, the Company had thirteen categories of dilutive potential ordinary shares:

- Class A Options
- Warrant Plan 2007
- Warrant Plan 2007 bis
- Warrant Plan 2007 ter
- Warrant Plan 2007 quater
- Warrant Plan 2007 quinquies
- Warrant Plan 2007 sexies
- Warrant Plan 2007 septies
- Warrant Plan 2008
- Warrant Plan 2009
- Warrant Plan 2010 primo
- Warrant Plan 2010 bis
- Warrant Plan 2010 ter

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

For the years ended December 31, *(in thousands of euro, except share and per share data)*	2013	2012 as restated*
Weighted average number of shares used in the calculation of basic earnings per share	**114,417,532**	**113,036,711**
Adjustment for:		
Class A Options	-	96,244
Warrant Plan 2007 Warrants	-	9,760
Warrant Plan 2007 bis Warrants	8,170	256,517
Warrant Plan 2008 Warrants	87,864	289,562
Warrant Plan 2007 ter Warrants	1,221	14,850
Warrant Plan 2007 quater Warrants	362,678	600,788
Warrant Plan 2009 Warrants	230,532	172,811
Warrant Plan 2007 quinquies Warrants	171,017	118,540
Warrant Plan 2007 sexies Warrants	26,144	39,845
Warrant Plan 2007 septies Warrants	97,414	76,128
Warrant Plan 2010 primo Warrants	421,836	352,774
Warrant Plan 2010 bis Warrants	15,842	13,294
Warrant Plan 2010 ter Warrants	55,637	20,089
Weighted average number of shares used in the calculation of diluted earnings per share	**115,895,887**	**115,097,913**
Diluted earnings per share in €	1.00	0.29

* See note 5.2.20

5.23. Non cash investing and financing transactions

For the years ended December 31, *(in thousands of euro)*	2013	2012
Acquisition of property and equipment in exchange for finance lease obligations	46,798	34,598
Acquisition of sports broadcasting rights in exchange for investing obligations	31,080	4,227

5.24. Commitments and contingencies

5.24.1. Pending litigations

Litigation concerning the agreement-in-principle concluded between Telenet and the PICs, Interkabel and INDI

On November 26, 2007, Telenet and the PICs announced a non-binding agreement-in-principle to transfer the analog and digital television activities of the PICs, including all existing subscribers to Telenet. Subsequently, Telenet and the PICs entered into a binding agreement (the PICs Agreement), which closed effective October 1, 2008. Telenet has been involved in various litigations concerning the PICs Agreement and the non-binding agreement-in-principle preceding the PICs Agreement. Beginning in December 2007, Belgacom NV/SA (Belgacom), the incumbent telecommunications operator in Belgium, instituted several proceedings seeking to block implementation of these agreements.

Belgacom lodged summary proceedings with the President of the Court of First Instance of Antwerp to obtain a provisional injunction preventing the PICs from effecting the agreement-in-principle on the basis that the PICs should have organized a tendering procedure or public market consultation before entering into the agreement-in-principle, and that the failure to organize such a consultation violates the equality, non-discrimination and transparency principles. In March 2008, the President of the Court of First Instance of Antwerp ruled in favor of Belgacom in the summary proceedings, which ruling was overturned by the Court of Appeal of Antwerp in June 2008. Belgacom brought this appeal judgment before the Cour de Cassation (the Belgian Supreme Court), which confirmed the appeal judgment in September 2010. On April 6, 2009, the Court of First Instance of Antwerp ruled in favor of the PICs and Telenet, dismissing Belgacom's request for the rescission of the agreement-in-principle and the PICs Agreement. On June 12, 2009, Belgacom appealed this judgment with the Court of Appeal of Antwerp. In this appeal, Belgacom is also seeking compensation for damages should the PICs Agreement not be rescinded. However, the claim for compensation has not yet been quantified. At the introductory hearing, which was held on September 8, 2009, the proceedings on appeal were postponed indefinitely at the request of Belgacom.

In parallel with the above proceedings, Belgacom filed a complaint with the Government Commissioner seeking suspension of the approval by the PICs' board of directors of the agreement-in-principle and initiated suspension and annulment procedures before the Belgian Council of State against these approvals and subsequently against the board resolutions of the PICs approving the PICs Agreement. In this complaint, Belgacom's primary argument was that the PICs should have organized a public market consultation before entering into the agreement-in-principle and the PICs Agreement. Belgacom's efforts to suspend approval of these agreements were unsuccessful. In the annulment cases, the Council of State decided on May 2, 2012 to refer a number of questions of interpretation under EU law for preliminary ruling to the European Court of Justice (ECJ). On November 14, 2013, the European Court of Justice ruled that the reasons invoked by the PICs not to organize a market consultation were not overriding reasons of public interest to justify abolishing the PIC's duty to organize such consultation. The annulment cases will now be resumed with the Belgian Council of State, which will be required to follow the interpretation given by the European Court of Justice with respect to the points of EU law. In January 2014, the Auditor with the Belgian Council of State has rendered a negative advice, but final pleadings still need to take place.

It is possible that Belgacom or another third party or public authority will initiate further legal proceedings, based on similar or different grounds, in an attempt to block the integration of the PICs' analog and digital television activities or obtain the rescission of the PICs Agreement. No assurance can be given as to the outcome of these or other proceedings. However, an unfavorable outcome of existing or future proceedings could potentially lead to the rescission of the PICs Agreement and/or to an obligation for Telenet to pay compensation for damages, subject to the relevant provisions of the PICs Agreement, which stipulate that Telenet is only responsible for damages in excess of € 20.0 million. In light of the fact that Belgacom has not quantified the amount of damages that it is seeking and Telenet has no basis for assessing the amount of losses Telenet would incur in the unlikely event that the PICs Agreement were to be rescinded, Telenet cannot provide a reasonable estimate of the range of loss that would be incurred in the event the ultimate resolution of this matter were to be unfavorable to Telenet. However, Telenet does not expect the ultimate resolution of this matter to have a material impact on its results of operations, cash flows or financial position.

Litigation regarding cable access

In December 2010, the Belgium Regulatory Authorities published their respective draft decisions reflecting the results of their joint analysis of the broadcasting market in Belgium.

After a public consultation, the draft decisions were submitted to the European Commission. The European Commission issued a notice on the draft decision that criticized the analysis of the broadcasting markets on several grounds, including the fact that the Belgium Regulatory Authorities failed to analyze upstream wholesale markets. It also expressed doubts as to the necessity and proportionality of the various remedies. The Belgium Regulatory Authorities adopted a final decision on July 1, 2011 (the July 2011 Decision) with some minor revisions. The regulatory obligations imposed by the July 2011 Decision include (i) an obligation to make a resale offer at "retail minus" of the cable analog package available to third party operators (including Belgacom), (ii) an obligation to grant third-party operators (except Belgacom) access to digital television platforms (including the basic digital video package) at "retail minus," and (iii) an obligation to make a resale offer at "retail minus" of broadband internet access available to beneficiaries of the digital television access obligation that wish to offer bundles of digital video and broadband internet services to their customers (except Belgacom).

After Telenet submitted draft reference offers regarding the obligations described above in February 2012, to which the Belgium

Regulatory Authorities subsequently made their observations, launched a national consultation process and consulted with the European Commission. Although the European Commission expressed doubts regarding the analog resale offers on August 8, 2013, the European Commission did not object to the decision on the reference offers. The Belgium Regulatory Authorities published the final decision on September 9, 2013. The regulated wholesale services must be available approximately six months after a third-party operator files a letter of intent and pays an advance payment to each cable operator. On December 27, 2013, wireless operator Mobistar submitted a letter of intent and paid the advance payment on January 10, 2013. Accordingly, the reference offers could be operational as soon as the third quarter of 2014. On April 2, 2013, the Belgium Regulatory Authorities issued a draft decision regarding the "retail-minus" tariffs of minus 35% for basic TV (basic analog and digital video package) and minus 30% for the bundle of basic TV and broadband internet services. A "retail-minus" method of pricing involves a wholesale tariff calculated as the retail price for the offered service by Telenet, excluding value-added taxes and copyrights, and further deducting the retail costs avoided by offering the wholesale service (such as costs for billing, franchise, consumer service, marketing, and sales). On October 4, 2013, the Belgium Regulatory Authorities notified a draft quantitative decision to the European Commission in which they changed the "retail-minus" tariffs to minus 30% for basic TV (basic analog and digital video package) and to minus 23% for the bundle of basic TV and broadband internet services. Even though the European Commission made a number of comments regarding the appropriateness of certain assumptions in the proposed costing methodology, the Belgian Regulatory Authorities adopted such retail-minus tariffs on December 11, 2013.

Telenet filed an appeal against the July 2011 Decision with the Brussels Court of Appeal. On September 4, 2012, the Brussels Court of Appeal rejected Telenet's request to suspend the July 2011 Decision pending the proceedings on the merits. Due to this rejection and the approval of the reference offers by the Belgium Regulatory Authorities, Telenet is now required to begin the process of implementing its reference offers. A final ruling on the merits can be expected during the second or third quarter of 2014. Telenet also filed an appeal with the Brussels Court of Appeal against the decision regarding the qualitative aspects of the reference offer. A decision in this appeal should not be expected before the fourth quarter of 2014. There can be no certainty that Telenet's appeals will be successful.

The July 2011 Decision aims to, and in its application may, strengthen Telenet's competitors by granting them resale access to Telenet's network to offer competing products and services notwithstanding Telenet's substantial historical financial outlays in developing the infrastructure. In addition, any resale access granted to competitors could (i) limit the bandwidth available to Telenet to provide new or expanded products and services to the customers served by its network and (ii) adversely impact Telenet's ability to maintain or increase its revenue and cash flows. The extent of any such adverse impacts ultimately will be dependent on the extent that competitors take advantage of the resale access ultimately afforded to Telenet's network and other competitive factors or market developments.

Interconnection Litigation

Telenet has been involved in regulatory and court proceedings with Belgacom in relation to the increased interconnection fees that it began charging telephone operators to terminate calls made to receivers on the Combined Network in August 2002. Several procedures have been ongoing between Telenet and Belgacom over the past years. In the course of 2013 an overall settlement was reached between the parties regarding this interconnection dispute, in which parties mutually agreed to drop all claims without any payments..

Copyright Litigations

The issue of copyrights and neighboring rights to be paid for the distribution of television has during the last two decades given rise to a number of litigations. Already in 1994, the Belgian Radio and Television Distributors Association (Beroepsvereniging voor Radio- en Televisiedistributie / Union professionnelle de radio et de télédistribution) (the "RTD", renamed afterwards to "Cable Belgium") was involved in discussions with various copyrights collecting agencies regarding the fees to be paid to the latter for the analogue broadcasting of various television programs. In November 2002, the RTD, together with certain Belgian cable operators (among which Telenet), began reaching settlements with the copyright collecting agencies and broadcasters. Pursuant to those settlement agreements, to which Telenet acceded, Telenet agreed to make certain upfront payments as well as to make increased payments over time. Consequently, in August 2003, Telenet increased the copyright fee it charges its subscribers. In July 2004, the Association for the Collection, Distribution and Protection of the Rights of the Artists, Interpreters and Performers (CVBA Vereniging voor de inning, repartitie en de verdediging van de vertolkende en uitvoerende kunstenaars) ("Uradex", later renamed to "Playright") filed a claim against the RTD for € 55 million plus interest concerning neighboring rights owed by the members of the RTD to artists and performers represented by Uradex during the period from August 1994 through the end of July 2004.

After the roll-out of digital television, Telenet started in 2006 a judicial procedure against a number of collection agencies. This procedure is related to a discussion between Telenet and these collection agencies about the legal qualification of (i) simulcast (i.e. channels distributed both in analogue and in digital quality), (ii) direct injection (i.e. channels delivered to the distributor over a non-publicly accessible transmission channel) and (iii) all rights included contracts (i.e. contracts in which broadcasters engage to deliver their signals and programs after having cleared all rights necessary for the communication to the public over the distributor's networks).

On April 12, 2011, the Court of First Instance of Mechelen rendered a positive judgment in the procedure against Sabam, Agicoa, Uradex and other collection agencies, and as part of which procedure several collection agencies (Sabam not included) filed counterclaims against Telenet for the payment of the invoices that Telenet disputed. The Court validated Telenet's arguments in each of the claims and counterclaims that were the subject of the procedure and, as a result: (i) no retransmission fees have to be paid by Telenet in case of direct injection of a broadcaster's signal into Telenet's network, (ii) no retransmission fees have to be paid in case of simulcast of an analog and digital signal (and consequently, Telenet does not have to pay extra for the distribution of linear digital television signals) and (iii) all-rights-included contracts are deemed legally valid, which means that if Telenet agrees with a broadcaster that the latter is responsible for clearing all copyrights, Telenet is not liable towards the collection agencies. The collection agencies however lodged an appeal (cf. infra). Since Sabam had not filed any counterclaim for the payment of invoices as part of the aforesaid judgment, on April 6, 2011, Sabam (not the other collecting agencies) initiated judicial proceedings before the Commercial Court of Antwerp, claiming payment by Telenet of invoices relating to (i) fees for a period from January 1, 2005 until December 31, 2010 for Telenet's basic digital television package, and (ii) fee advances for the first semester of 2011 for Telenet's basic and optional digital television packages. The claims mainly relate to (i) direct injection and (ii) all-rights-included contracts. Sabam's claim is based on arguments substantially similar to those rejected by the Court of First Instance of Mechelen on April 12, 2011. Simultaneously, Sabam initiated a summary procedure before the President of the Commercial Court of Antwerp, to receive provisional payment of the contested fees and fee advances. On June 30, 2011 the President of the Commercial Court of Antwerp rendered a positive judgment for Telenet in this procedure. Sabam lodged appeal. On June 27, 2012 the Court of Appeal of Antwerp confirmed this judgment and dismissed the claim in summary proceedings of Sabam. In the case of the appeal against the judgment of April 12, 2011 the Court of Appeal of Antwerp has rendered an intermediate ruling on February 4, 2013. This judgment to a large extent confirms the reasoning of the Court of First Instance of Mechelen on the disputed issues (qualification of (i) simulcast, (ii) direct injection and (iii) all rights included agreements), but re-opens the procedure in order to allow the parties to provide further proof of their actual claims. On January 20, 2014 Coditel has appealed this intermediate ruling before the Supreme Court ("Hof van Cassatie") mainly because of the incorrect qualification of the fees to be paid for the communication to the public as if it would be "retransmission" rights.

Telenet does not expect the ultimate resolution of this matter to have a material impact on its results of operations or financial condition.

5.24.2. Other contingent liabilities

New regulation regarding signal integrity

The Flemish Parliament adopted legislation imposing on distributors strict integrity of broadcasting signals and the requirement to request authorization from broadcasters when contemplating offering inter alia recording through an electronic program guide. Broadcasters have argued that the high penetration of PVR's in the Flemish market, combined with high ad-skipping as a result, undermines the revenue of broadcasters. The Flemish decree provides that broadcasters and distributors must in first instance try to find a commercial solution. In case the parties concerned cannot find a commercial solution, the Flemish decree provides for a mediation procedure, which, if unsuccessful, can eventually lead to civil litigation. This legislation risks to have a negative impact on the possibility to launch new innovative applications and to increase the Company's financial contribution to broadcasters.

5.24.3. Operating leases

The Company leases facilities, vehicles and equipment under cancellable and non-cancellable operating leases. The following schedule details, at December 31, 2013 and 2012, the future minimum lease payments under cancellable and non-cancellable operating leases:

For the years ended December 31 (in thousands of euro)	2013	2012
Within one year	19,885	20,453
In the second to fifth year, inclusive	17,842	18,440
Thereafter	3,016	3,164
Total minimum lease payments	**40,743**	**42,057**
Minimum lease payments recognized as an expense in the year	**25,689**	**24,678**

The Company's operating leases as at December 31, 2013 and December 31, 2012 did not contain any material contingent rentals.

5.25. Related parties

The related parties of the Company mainly comprise its shareholders that have the ability to exercise significant influence or control. This consisted of the Liberty Global Consortium for both 2013 and 2012. Related parties further include transactions with Pebble Media NV, Doccle CVBA and Doccle.Up NV.

The following tables summarize material related party balances and transactions for the period:

5.25.1. Statement of financial position

For the years ended December 31 (in thousands of euro)	2013	2012
Trade receivables	855	17
Trade payables and accrued liabilities	3,939	863

5.25.2. Statement of profit or loss and other comprehensive income

For the years ended December 31 (in thousands of euro)	2013	2012
Operating		
Revenue	1,984	1,386
Operating expenses	449	(2,078)

5.25.3. Key management compensation

For purpose of this footnote, key management is identified as people involved in strategic orientation of the Company.

For the years ended December 31 (in thousands of euro)	2013	2012
Salaries and other short-term employee benefits	5,706	6,036
Post-employment benefits	435	210
Share-based payments (compensation cost recognized)	8,411	4,926
	14,552	**11,172**

5.26. Subsidiaries

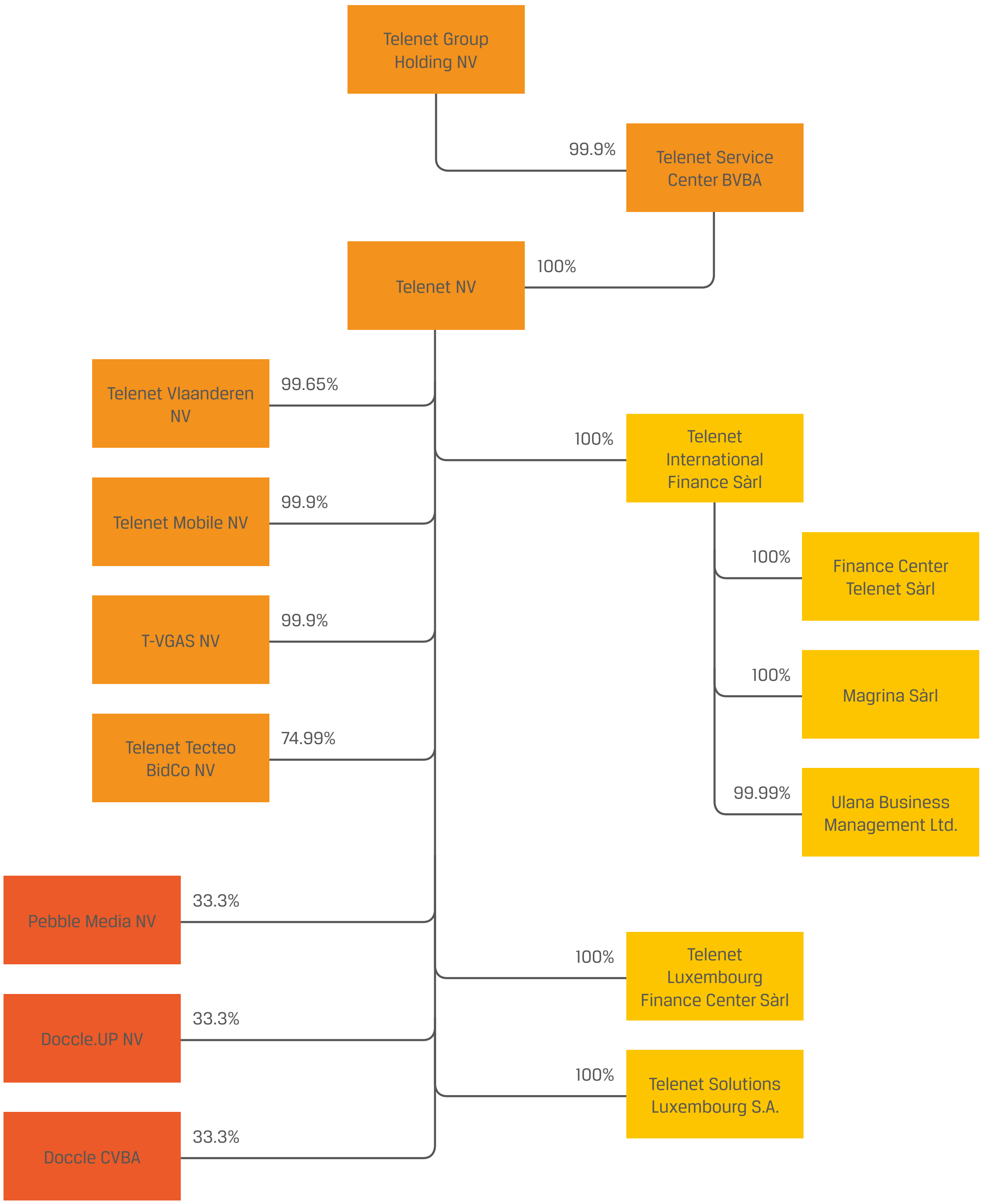
5.26.1. Subsidiaries

Details of the Company's subsidiaries as of December 31, 2013 are as follows:

Company	National number/ Trade Register number	Registered office	% Held	Consolidation Method
Telenet Group Holding NV	0477.702.333	Liersesteenweg 4, 2800 Mechelen, Belgium	-	Parent company
Telenet NV	0473.416.418	Liersesteenweg 4, 2800 Mechelen, Belgium	100%	Fully consolidated
Telenet Vlaanderen NV	0458.840.088	Liersesteenweg 4, 2800 Mechelen, Belgium	100%	Fully consolidated
T-VGAS NV	0808.321.289	Liersesteenweg 4, 2800 Mechelen, Belgium	100%	Fully consolidated
Telenet Mobile NV	0813.219.195	Liersesteenweg 4, 2800 Mechelen, Belgium	100%	Fully consolidated
TELENET TECTEO BIDCO NV	0835.821.779	Liersesteenweg 4, 2800 Mechelen, Belgium	74,99%	Fully consolidated
Telenet Service Center BVBA	0842.132.719	Liersesteenweg 4, 2800 Mechelen, Belgium	100%	Fully consolidated
Telenet Solutions Luxembourg S.A.	B-73.305	2, rue Peternelchen, L-2370 Howald, Luxembourg	100%	Fully consolidated
Telenet International Finance S.à r.l.	B-155.066	2, rue Peternelchen, L-2370 Howald, Luxembourg	100%	Fully consolidated
Telenet Luxembourg Finance Center S.à r.l.	B-155.088	2, rue Peternelchen, L-2370 Howald, Luxembourg	100%	Fully consolidated
Finance Center Telenet S.à r.l.	B-165.944	2, rue Peternelchen, L-2370 Howald, Luxembourg	100%	Fully consolidated
Magrina S. à r.l.	B-182.173	40, Avenue Monterey, L-2163 Luxembourg, Luxembourg	100%	Fully consolidated
Ulana Business Management Ltd.	536635	Commercial House, Millbank Business Park, Lucan, Co. Dublin, Ireland (*)	100%	Fully consolidated

(*) Registered office transferred to Building P2, Eastpoint Business Park, Clontarf, Dublin 3, Ireland as of January 16, 2014

The Group chart as of December 31, 2013 is as follows:



5.26.2. Other consolidated companies

Company	Trade Register Number	Address	% Held	Consolidation Method
Telenet Finance Luxembourg S.C.A. [(1)]	RCS B.155.894	2, rue Peternelchen, L-2370 Howald, Luxembourg	0%	Fully consolidated
Telenet Finance Luxembourg II S.A. [(2)]	RCS B.156.414	2, rue Peternelchen, L-2370 Howald, Luxembourg	0%	Fully consolidated
Telenet Finance III Luxembourg S.C.A. [(3)]	RCS B.158.666	2, rue Peternelchen, L-2370 Howald, Luxembourg	0%	Fully consolidated
Telenet Finance IV Luxembourg S.C.A. [(4)]	RCS B.161.083	2, rue Peternelchen, L-2370 Howald, Luxembourg	0%	Fully consolidated
Telenet Finance V Luxembourg S.C.A. [(5)]	RCS B.164.890	2, rue Peternelchen, L-2370 Howald, Luxembourg	0%	Fully consolidated
Telenet Finance VI Luxembourg S.C.A. [(6)]	RCS B.171.030	2, rue Peternelchen, L-2370 Howald, Luxembourg	0%	Fully consolidated

1 Telenet Finance Luxembourg S.C.A. was incorporated on September 28, 2010 as a special purpose financing company ("SPE") for the primary purpose of facilitating the offering of a High Yield Bond. This entity was incorporated at the request of the Telenet Group under the laws of the Grand Duchy of Luxembourg and is owned 99.99% by a Dutch charitable trust, called Stichting Telenet Finance Luxembourg and 0.01% by Telenet Finance S.à.r.l., a 100% affiliate of this Stichting. The Indenture relating to the High Yield Bond offering prohibits the Issuer from engaging in any activities other than certain limited activities permitted. The SPE set up for the issuance of the High Yield Bond is designed to operate in a predetermined way so that no entity has explicit decision-making authority over the SPE's ongoing activities after its formation (i.e. it operates on 'autopilot'). Virtually all rights, obligations, and aspects of activities that could be controlled are predefined and limited by contractual provisions specified or scheduled at inception. Together with other strong indicators of control over the SPE, it has been determined that Telenet Group Holding should consolidate the SPE created to issue the High Yield Bond.

2 Telenet Finance Luxembourg II S.A. was incorporated on October 28, 2010 as a special purpose financing company for the primary purpose of facilitating the offering of a Private Placement Bond. This entity was incorporated at the request of the Telenet Group under the laws of the Grand Duchy of Luxembourg and is owned 100.00% by a Dutch charitable trust, called Stichting Telenet Finance Luxembourg II. The Trust Deed relating to the Private Placement offering prohibits the Issuer from engaging in any activities other than certain limited activities permitted. The SPE set up for the issuance of the Private Placement Bond is designed to operate in a predetermined way so that no entity has explicit decision-making authority over the SPE's ongoing activities after its formation (i.e. it operates on 'autopilot'). Virtually all rights, obligations, and aspects of activities that could be controlled are predefined and limited by contractual provisions specified or scheduled at inception. Together with other strong indicators of control over the SPE, it has been determined that Telenet Group Holding should consolidate the SPE created to issue the Private Placement Bond.

3 Telenet Finance III Luxembourg S.C.A. was incorporated on January 28, 2011 as a special purpose financing company ("SPE") for the primary purpose of facilitating the offering of a High Yield Bond. This entity was incorporated at the request of the Telenet Group under the laws of the Grand Duchy of Luxembourg and is owned 99.99% by a Dutch charitable trust, called Stichting Telenet Finance III Luxembourg and 0.01% by Telenet Finance III S.à.r.l., a 100% affiliate of this Stichting. The Indenture relating to the High Yield Bond offering prohibits the Issuer from engaging in any activities other than certain limited activities permitted. The SPE set up for the issuance of the High Yield Bond is designed to operate in a predetermined way so that no entity has explicit decision-making authority over the SPE's ongoing activities after its formation (i.e. it operates on 'autopilot'). Virtually all rights, obligations, and aspects of activities that could be controlled are predefined and limited by contractual provisions specified or scheduled at inception. Together with other strong indicators of control over the SPE, it has been determined that Telenet Group Holding should consolidate the SPE created to issue the High Yield Bond.

4 Telenet Finance IV Luxembourg S.C.A. was incorporated on May 23, 2011 as a special purpose financing company ("SPE") for the primary purpose of facilitating the offering of a High Yield Bond. This entity was incorporated at the request of the Telenet Group under the laws of the Grand Duchy of Luxembourg and is owned 99.99% by a Dutch charitable trust, called Stichting Telenet Finance IV Luxembourg and 0.01% by Telenet Finance IV S.à.r.l., a 100% affiliate of this Stichting. The Indenture relating to the High Yield Bond offering prohibits the Issuer from engaging in any activities other than certain limited activities permitted. The SPE set up for the issuance of the High Yield Bond is designed to operate in a predetermined way so that no entity has explicit decision-making authority over the SPE's ongoing activities after its formation (i.e. it operates on 'autopilot'). Virtually all rights, obligations, and aspects of activities that could be controlled are predefined and limited by contractual provisions specified or scheduled at inception. Together with other strong indicators of control over the SPE, it has been determined that Telenet Group Holding should consolidate the SPE created to issue the High Yield Bond.

5 Telenet Finance V Luxembourg S.C.A. was incorporated on November 16, 2011 as a special purpose financing company ("SPE") for the primary purpose of facilitating the offering of a High Yield Bond. On August 10, 2012, the articles of association were amended in order to make it possible to issue more than one High Yield Bond. This entity was incorporated at the request of the Telenet Group under the laws of the Grand Duchy of Luxembourg and is owned 99.99% by a Dutch charitable trust, called Stichting Telenet Finance V Luxembourg and 0.01% by Telenet Finance V S.à.r.l., a 100% affiliate of this Stichting. The Indenture relating to the High Yield Bond offerings prohibits the Issuer from engaging in any activities other than certain limited activities permitted. The SPE set up for the issuance of the High Yield Bonds is designed to operate in a predetermined way so that no entity has explicit decision-making authority over the SPE's ongoing activities after its formation (i.e. it operates on 'autopilot'). Virtually all rights, obligations, and aspects of activities that could be controlled are predefined and limited by contractual provisions specified or scheduled at inception. Together with other strong indicators of control over the SPE, it has been determined that Telenet Group Holding should consolidate the SPE created to issue the High Yield Bonds.

6 Telenet Finance VI Luxembourg S.C.A. was incorporated on August 14, 2012 as a special purpose financing company ("SPE") for the primary purpose of facilitating the offering of one or more High Yield Bonds. This entity was incorporated at the request of the Telenet Group under the laws of the Grand Duchy of Luxembourg and is owned 99.99% by a Dutch charitable trust, called Stichting Telenet Finance VI Luxembourg and 0.01% by Telenet Finance VI S.à.r.l., a 100% affiliate of this Stichting. The Indenture relating to the High Yield Bond offering(s) will prohibit the Issuer from engaging in any activities other than certain limited activities permitted. The SPE set up for the issuance of High Yield Bond(s) is designed to operate in a predetermined way so that no entity has explicit decision-making authority over the SPE's ongoing activities after its formation (i.e. it operates on 'autopilot'). Virtually all rights, obligations, and aspects of activities that could be controlled are predefined and limited by contractual provisions specified or scheduled at inception. Together with other strong indicators of control over the SPE, it has been determined that Telenet Group Holding should consolidate the SPE created to issue the High Yield Bond(s).

5.27. Subsequent events

Share Repurchase Program 2014

On February 13, 2013, Telenet announced the initiation, as of February 13, 2014, of a share repurchase program (the "Share Repurchase Program 2014"). Under this program, Telenet may acquire from time to time its common stock, to a maximum of 1,100,000 shares, for a maximum consideration of € 50.0 million, within a three month period. The share repurchases will be conducted under the terms and conditions approved by the extraordinary general shareholders' meeting of the Company of May 28, 2009. This Share Repurchase Program 2014 replaces any outstanding previous program. Through March 10, 2014, the Company had acquired 296,598 own shares under the Share Repurchase Program 2014 for a total amount of € 13,300,978, representing 0.26% of the total number of outstanding shares at that moment. Taking into account a par value of € 0.11 per share on December 31, 2013, this represents an amount of € 32,626 in the share capital of the company. In addition to the aforementioned authorized € 50.0 share buy-back program, the Company's board of directors will evaluate additional shareholder disbursements in the course of 2014.

5.28. External audit

The general shareholders' meeting of April 27, 2011 appointed KPMG Bedrijfsrevisoren CVBA ("KPMG") as statutory auditor of the Company for a period of three years. KPMG has appointed Mr. Götwin Jackers as permanent representative.

Base fees for auditing the annual (consolidated) financial statements of Telenet Group Holding NV and its Belgian subsidiaries are determined by the general meeting of shareholders after review and approval by the Company's audit committee and board of directors.

Audit and audit related fees for 2013 in relation to services provided by KPMG Bedrijfsrevisoren amounted to EUR 612,700 (2012: EUR 654,500), which was composed of audit services for the annual financial statements of EUR 566,300 (2012: EUR 552,950) and audit related services of EUR 46,400 (2012: EUR 101,550). Audit related services mainly related to services in connection with attestation reports required by Belgian Company Law as well as other ad hoc attestation reports.

Audit and audit related fees for 2013 in relation to services provided by other offices in the KPMG network amounted to EUR 82,000 (2012: EUR 60,000), which was composed of audit services for the annual financial statements of EUR 82,000 (2012: EUR 50,000) and other audit related services of EUR 0 (2012: EUR 10,000).

Statutory auditor's report to the general meeting of Telenet Group Holding NV as of and for the year ended 31 December 2013

FREE TRANSLATION OF UNQUALIFIED STATUTORY AUDITOR'S REPORT ORIGINALLY PREPARED IN DUTCH

In accordance with the legal requirements, we report to you in the context of our statutory auditor's mandate. This report includes our report on the consolidated financial statements as of and for the year ended 31 December 2013, as defined below, as well as our report on other legal and regulatory requirements.

Report on the consolidated financial statements - unqualified opinion

We have audited the consolidated financial statements of Telenet Group Holding NV ("the Company") and its subsidiaries (jointly "the Group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2013 and the consolidated statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. The total of the consolidated statement of financial position amounts to EUR'000 3.401.570 and the consolidated statement of profit or loss and other comprehensive income shows a profit for the year of EUR'000 116.364.

Board of directors' responsibility for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements.

We have obtained from the Company's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion.

Unqualified opinion

In our opinion, the consolidated financial statements give a true and fair view of the Group's equity and consolidated financial position as at 31 December 2013 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the annual report on the consolidated financial statements.

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we provide the following additional statements which do not modify our opinion on the consolidated financial statements:

- The annual report on the consolidated financial statements includes the information required by law, is consistent, in all material respects, with the consolidated financial statements and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.

Other matters

- As disclosed in Note 5.2.19 to the consolidated financial statements, the accounting policies applied when preparing these consolidated financial statements have been modified compared to the previous year.
- As disclosed in Note 5.1.5 to the consolidated financial statements, the board of directors of the Company has considered the Group's consolidated net equity position as at 31 December 2013 and has disclosed its considerations for applying the accounting policies on a going concern basis.

Brussels, 11 March 2014

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by

Götwin Jackers
Bedrijfsrevisor / Réviseur d'Entreprises

Abridged annual report of the board of directors to the annual general meeting of shareholders

This section contains an abridged version of the statutory (non-consolidated) annual accounts and annual report of Telenet Group Holding NV (TGH).

The statutory auditor issued an unqualified opinion on the statutory accounts of Telenet Group Holding NV as of and for the year ended December 31, 2013. The second part of the auditor's report includes a specific additional paragraph in accordance with article 523 of the Belgian Company Code (conflict of interest reported by a member of the board of directors).

The full version of the annual accounts will be filed with the National Bank of Belgium and are available on the Company's website (http://investors.telenet.be).

1. Abridged non-consolidated balance sheet

(in thousands of euro)	December 31, 2013	December 31, 2012
Assets		
Non-current assets:		
Financial assets	6,823,349	2,382,581
Total non-current assets	**6,823,349**	**2,382,581**
Current assets:		
Amounts receivable within 1 year	47,575	54,105
Other investments and deposits	14,362	293,513
Cash at bank and in hand	214	385,976
Deferred charges and accrued income	1	359
Total current assets	**62,152**	**733,953**
Total assets	**6,885,501**	**3,116,534**
Equity and Liabilities		
Equity:		
Capital	12,582	12,331
Share premium	32,687	6,085
Reserves	73,556	73,606
Profit to be carried forward	4,384,119	85,226
Total equity	**4,502,944**	**177,248**
Liabilities:		
Provisions	46,369	12,070
Amounts payable after more than 1 year	2,164,885	2,014,074
Amounts payable after more than 1 year	23,149	913,142
Amounts payable within 1 year	148,154	-
Total liabilities	**2,382,557**	**2,939,286**
Total Equity and Liabilities	**6,885,501**	**3,116,534**

2. Abridged non-consolidated income statement

For the years ended December 31, (in thousands of euro)	2013	2012
Operating Income	35,243	12,070
Operating expenses	(36,740)	(13,114)
Operating loss	**(1,497)**	**(1,044)**
Finance income	1,199	42,388
Finance expenses	(123,330)	(78,119)
Extraordinary income	4,440,768	-
Taxes	(18,296)	-
(Loss)/Gain to be appropriated	**4,298,844**	**(36,775)**

3. Capital

	2013	
	(in thousands of euro)	*(number of shares)*
Issued capital		
January 1, 2013	**12,331**	**113,408,536**
08/01/13 Capital increase exercise of warrants 2007	35	324,328
08/01/13 Capital increase exercise of warrants 2010	9	77,690
09/04/13 Capital increase exercise of warrants 2007	41	378,631
09/04/13 Capital increase exercise of warrants 2008	50	462,252
09/04/13 Capital increase exercise of warrants 2010	20	180,945
10/07/13 Capital increase exercise of warrants 2007	7	62,215
10/07/13 Capital increase exercise of warrants 2010	3	27,871
09/10/13 Capital increase exercise of warrants 2007	5	50,361
09/10/13 Capital increase exercise of warrants 2010	6	56,536
20/12/13 Capital increase exercise of warrants 2007	35	318,495
20/12/13 Capital increase exercise of warrants 2009	35	323,286
20/12/13 Capital increase exercise of warrants 2010	5	48,006
December 31, 2013	**12,582**	**115,719,152**

Composition of the capital		
Dispreference shares	10	94,843
Golden shares	-	30
Ordinary shares without nominal value	12,572	115,624,279

4. Accounting policies

4.1. General

The Accounting Policies have been determined in accordance with the conditions of Chapter II of the Royal Decree of January 30, 2001 on the financial statements of companies.

Every component of the assets is valued individually. Depreciation was calculated on an annual basis up to 2001 and on a monthly basis from 2002 onwards. As a general rule, each component of the assets is valued at its acquisition cost, and shown in the balance sheet at that amount, minus any depreciation or write-downs. The amounts receivable are also shown, in principle, at their nominal value.

4.2. Specific accounting policies

4.2.1. Formation expenses

These expenses are shown at their acquisition value and are amortized using the straight-line method over 4 years. Expenses for formation and capital increase in foreign currency are kept at the historic exchange rate. That value is used for the calculation of amortization and write-downs.

The capitalized issuance costs relating to the Senior Notes are amortized over the term of the loan and recognized in earnings pro rata the monthly amount of interest. As from 2011 onwards, debt issuance costs are expensed as incurred.

4.2.2. Financial assets

Investments are recorded at their acquisition value. For the investments recorded under the heading "Financial fixed assets", an impairment loss is accounted for in case of permanent capital loss or decline in value, justified by the situation, profitability or outlook of the respective investees.

4.2.3. Amounts receivable within one year

Amounts receivable are recorded on the balance sheet at their nominal value. An appropriate write-down will be made if part or all of the payment on the due date is uncertain, or if the recoverable amount on the balance sheet date is lower than the book value.

Amounts receivable in foreign currency are converted at the official exchange rate applicable on the date when the invoice is posted. At the end of the financial year, they are converted using the official exchange rate on the balance sheet date.

4.2.4. Other investments and cash at bank and in hand

Balances held with financial institutions are valued at their nominal value.

Securities are valued at their acquisition value. Other cash equivalents are shown at their nominal value.

The additional expenses are charged immediately to earnings. Write-downs are accounted for if the recoverable amount on the balance sheet date is lower than the book value.

4.2.5. Amounts payable after more than 1 year and within 1 year

Creditors are shown in the balance sheet at their nominal value. Trade creditors in foreign currency are shown at the exchange rate on the date when the incoming invoice was posted. At the end of the financial year, they are converted using the exchange rate on the balance sheet date.

4.2.6. Fees related to long term financing

The deferred financing fees including early redemption fees and debt issuance costs are recognized in the statement of profit or loss and other comprehensive income using the effective interest method. As from 2011 onwards, debt issuance costs relating to new loans are expensed as incurred.

4.2.7. Income statement

Income and expenses are recognized in the period to which they relate.

5. Abridged annual report concerning the statutory annual accounts of Telenet Group Holding NV

5.1. Comments on the balance sheet

5.1.1. Financial assets

The investments amounted to € 6,823.3 million (2012: € 2,382.6 million) and consisted of:

For the years ended December 31 (in euro)	2013	2012
Investees		
Telenet NV	-	2,382,231,562
Telenet Vlaanderen NV	249,438	249,438
Telenet Service Center BVBA	6,823,061,412	61,439
Telenet Mobile NV	38,062	38,062
T-VGAS NV	11	11
Investees	**6,823,348,923**	**2,382,580,512**

In 2013, Telenet Service Center BVBA performed a capital increase by means of a contribution in kind by Telenet Group Holding NV, contributing its shares held in Telenet NV. Based on the fair value of the underlying Telenet NV shares, a capital increase was performed by € 6,823.0 million in exchange for 110,943,089 newly created shares of Telenet Service Center BVBA. As a result of this contribution, Telenet Group Holding NV realized a gain of € 4,440.8 million.

5.1.2. Amounts receivable within one year

In accordance with advice CBN 2012/3 with respect to the accounting treatment of stock option plans, the Company recognized a provision amounting to € 46.4 million (2012: € 12.1 million) related to the expected future loss on own shares when the stock options are expected to be exercised. This cost was recharged to Telenet NV, the entity in which the beneficiaries are employed and all personnel expenses are incurred, and this resulted in an amount receivable from Telenet NV. Together with € 0.9 million recharged expenses to Telenet NV, the total outstanding receivable on Telenet NV at year-end 2013 amounted to € 47.3 million (2012: € 12.1 million).

Other short term receivables at year-end 2013 amounted to € 0.2 million and consisted mainly of withholding taxes. A dividend receivable from Telenet NV for a total amount of € 42.0 million was recorded as of December 31, 2012.

5.1.3. Other investments, deposits and cash

The investments as reported at year-end 2013 contained term accounts/deposits realizable within one year for an amount of € 14.4 million (2012: € 293.5 million). Composition of these investments can be summarized as follows:

For the years ended December 31 (in euro)	2013	2012
Other investments and deposits		
Own shares	5,713,428	5,763,121
Short term deposits	8,648,000	287,750,000
Other investments and deposits	**14,361,428**	**293,513,121**

The own shares are held by the Company to cover the Company's obligations under existing stock option plans. There are no dividend rights for these shares for as long as they remain in possession of the Company. In 2013, the Company delivered 1,900 shares in exchange for options exercised.

The decrease in cash and short-term deposits was the result of the dividend pay-out in May 2013 of € 7.90 per share or € 905.4 million in total.

5.1.4. Capital

The changes in capital during 2013 can be summarized as follows:

		(in euro)
08/01/2013	Capital increase exercise of warrants 2007	35,254.46
08/01/2013	Capital increase exercise of warrants 2010	8,444.90
09/04/2013	Capital increase exercise of warrants 2007	41,157.19
09/04/2013	Capital increase exercise of warrants 2008	50,246.80
09/04/2013	Capital increase exercise of warrants 2010	19,668.72
10/07/2013	Capital increase exercise of warrants 2007	6,762.77
10/07/2013	Capital increase exercise of warrants 2010	3,029.58
09/10/2013	Capital increase exercise of warrants 2007	5,474.24
09/10/2013	Capital increase exercise of warrants 2010	6,145.46
20/12/2013	Capital increase exercise of warrants 2007	34,620.41
20/12/2013	Capital increase exercise of warrants 2009	35,141.19
20/12/2013	Capital increase exercise of warrants 2010	5,218.25
		251,163.97

5.1.5. Share premium

Upon the exercise in 2013 of warrants, an amount of € 26.6 million was accounted for as share premium (2012: € 11.8 million).

5.1.6. Reserves

Total reserves at year-end 2013 amounted to € 73.6 million and remained stable compared to last year:

(in euro)	December 31, 2013	December 31, 2012
Reserves		
Legal reserve	64,798,289	64,798,289
Reserves unavailable for distribution		
- for own shares	5,713,428	5,763,121
- other	-	936,496
Untaxed reserves	3,044,394	2,107,898
Reserves	**73,556,111**	**73,605,804**

The untaxed reserves related to the capital reduction of € 3.25 as decided upon by the general meeting of shareholders in April 2012 on 648,584 own shares that were held on the payment date, being August 31, 2012. The € 2.1 million was not paid out, but added back to the Company's equity as untaxed reserves. The right to the 2012 dividend and capital reduction (of € 3.25 respectively € 1.0) related to the 220,352 own shares held with respect to the obligation under the Company's stock option plans was cancelled in 2013. As a result, the € 0.1 million other reserve unavailable for distribution was reclassed to untaxed reserves.

5.1.7. Provisions

In accordance with advice CBN 2012/3 with respect to the accounting treatment of stock option plans, the Company accounted for a provision amounting to € 46.4 million (2012: € 12.1 million) related to the expected future loss on own shares when the stock options are expected to be exercised.

5.1.8. Amounts payable after more than one year

Amounts payable after more than one year can be summarized as follows:

(in euro)	December 31, 2013	December 31, 2012
Amounts payable after more than one year		
Telenet International Finance S.à r.l.	1,396,729,548	1,243,370,965
Finance Center Telenet S.à r.l.	768,155,929	770,703,482
Amounts payable after more than one year	**2,164,885,477**	**2,014,074,447**

The 2013 increase in the outstanding long-term amounts payable to

The 2013 increase in the outstanding long-term amounts payable to Telenet International Finance S.à r.l. was the result of (i) additional borrowings for a total amount of € 275.5 million, partially compensated by (ii) the repayment of a € 95.0 million borrowing in May 2013 and (iii) the reclass of the accrued interest on the long term debt to Telenet International Finance S.à r.l. (€ 27.1 million) and Finance Center Telenet S.à r.l. (€ 2.5 million).

As per December 31, 2012, interest accruals on the debts to Telenet International Finance S.à r.l. and Finance Center Telenet amounted to respectively € 27.1 million and € 2.5 million and were presented under the amounts payable after one year. As per December 31, 2013, these interest accruals increased to respectively € 107.5 million and € 40.7 million and are reported under the section accrued charges and deferred income.

5.1.9. Amounts payable within one year

Amounts payable within one year amounted to € 23.1 million compared to € 913.1 million at year-end 2012 and can be detailed as follows:

(in euro)	December 31, 2013	December 31, 2012
Amounts payable within one year		
Trade debts	583,906	6,651,891
Taxes, remuneration and social security	19,547,052	306,585
Other amounts payable		
- current account Telenet International Finace S.à.r.l.	2,001,339	-
- other	1,016,587	906,183,780
Amounts payable within one year	**23,148,884**	**913,142,256**

Trade debt consists of accounts payable amounted to € 0.1 million (compared to € 2.8 million as of December 31, 2012, of which € 1.6 million were intercompany invoices) and invoices to receive at € 0.5 million (2012: € 3.9 million).

The taxes, remuneration and social security outstanding as of December 31, 2013 amounted to € 19.5 million (2012: € 0.3 million) and consisted primarily of the 0.412% tax on the capital gain realized by the Company on the Telenet NV shares, representing a tax liability of € 18.3 million. The remaining € 1.2 million consists amongst others of a provision for social security charges related to performance shares which are payable upon vesting of the underlying performance shares amounting to € 0.7 million.

The current account with Telenet International Finance S.à r.l. (€ 2.0 million) consisted of the cash pool account.

The other amounts payable for an amount of € 1.0 million (2012: € 906.2 million) consisted of past dividends and capital reductions payable, but which were as of December 31, 2013 not yet claimed. The amount of € 906.2 million outstanding at year-end 2012 mainly related to the dividend of € 7.9 per share (€ 905.4 million in total) paid-out in May 2013.

5.1.10. Accrued charges and deferred income

Accrued charges and deferred income within one year amounted to € 148.2 million and can be detailed as follows:

(in euro)	December 31, 2013	December 31, 2012
Accrued charges and deferred income		
- Telenet International Finace S.à.r.l.	107,476,057	-
- Finance Center Telenet S.à r.l.	40,677,599	-
Accrued charges and deferred income	**148,153,656**	**-**

The accrued charges consisted integrally of the monthly interest accruals accounted for during the year on the long-term debt to Finance Center Telenet S.à r.l. (€ 107.5 million) and Finance Center Telenet (€ 40.7 million). As per year-end 2012, interest accruals on these debts to Telenet International Finance S.à r.l. and Telenet Service Center amounted to respectively € 27.1 million and € 2.5 million and were presented under the amounts payable after one year.

5.2. Comments on the income statement

The income statement showed a profit of € 4,298,843,786.29 for the financial year ended December 31, 2013 (versus a loss of € 36,774,533.40 in 2012). Net operating loss for the year amounted to € 1,496,632.26 (compared to a loss of € 1,043,692.99 in 2012).

Finance income amounted to € 1.2 million for 2013 compared to € 42.4 million in 2012. Prior year's finance income primarily consisted of a dividend income from Telenet NV for an amount of € 42.0 million.

Finance expense amounted to € 123.3 million for the year ended December 31, 2013 compared to € 78.1 million prior year and consists of:

(in euro)	December 31, 2013	December 31, 2012
Finance expense		
Interest charges		
- Bank	22	-
- Telenet International Finace S.à r.l.	85,142,871	27,920,177
- Finance Center Telenet S.à r.l.	38,130,046	2,547,553
- Telenet N.V.	-	15,684,208
Other finance expense	57,552	31,967,348
Finance expense	**123,330,491**	**78,119,286**

The other finance expenses incurred in 2012 consisted primarily of debt issuance costs related to new loans (€ 27.1 million) and bank charges (€ 4.8 million).

At the occasion of its contribution of shares held in Telenet NV into Telenet Service Center BVBA, the Company realized a capital gain of € 4,440.8 million, recorded as extraordinary income.

Current tax expense of 2013 amounted to € 18.3 million and consisted of the tax on the capital gain on the Telenet NV shares.

The Company proposes to the general shareholders' meeting to:

- bring forward the profit brought forward at the prior year-end amounting to € 85,225,533.67, resulting in a profit available for appropriation amounting to € 4,384,069,319.96 at December 31, 2013);
- withdraw an amount of € 49,692.92 from the reserves unavailable for distribution for own shares, related to the delivery of own shares to stock option holders which exercised stock option in 2013;

As a result, the profit to be carried forward amounted to € 4,384,119,012.88 as of December 31, 2013.

5.3. Information on research and development

We refer to the consolidated annual report of the board of directors.

5.4. Risk factors

We refer to the consolidated annual report of the board of directors.

5.5. Information about subsequent events

We refer to the consolidated annual report of the board of directors.

5.6. Going concern

The going concern of the Company is entirely dependent on that of the Telenet Group.

Currently, the Telenet Group still has a substantial amount of losses carried forward on the balance sheet, but succeeded to deliver solid Adjusted EBITDA margins and growing operational cash flows. This is entirely aligned with the Company's long range plan, which encompasses a continued development of the Company's profit generating activities in order to absorb the losses carried forward over time. Because of the continued strong growth in the number of subscribers on telephony, internet and digital television and a further focus on cost control and process improvements, the Company was again able to deliver strong operating results.

As of December 31, 2013, the Company carried a total debt balance (including accrued interest) of € 3,868.3 million, of which € 1,404.6 million principal amount is owed under the 2010 Amended Senior Credit Facility (including € 175.0 million relating to the Term

Loan T issued in February 2012), € 1,300.0 million principal amount is related to the four Notes issued in 2010 and 2011, and € 700.0 million principal amount relates to the Senior Secured Fixed Rate Notes due 2022 and 2024 issued in August 2012. The Company's total debt balance at December 31, 2013 also included € 45.9 million for the outstanding portion of the 3G mobile spectrum including accrued interest. The remainder primarily represents the capital lease obligations associated with the Interkabel Acquisition.

Taking into account the growing positive Adjusted EBITDA results of the current year, the board of directors believes that the Telenet Group will be able to fund the further development of its operations and to meet its obligations and believes that the current valuation rules, as enclosed in the annual accounts, and in which the continuity of the Company is assumed, are correct and justified under the current circumstances.

5.7. Application of legal rules regarding conflicts of interest

We refer to the consolidated annual report of the board of directors.

5.8. Branch offices of the company

Telenet Group Holding NV has no Branch Offices.

5.9. Extraordinary activities and special assignments carried out by the auditor

We refer to the notes to the consolidated financial statements of the Company.

5.10. Telenet hedging policy and the use of financial instruments

We refer to the consolidated annual report of the board of directors.

5.11. Grant of discharge to the directors and statutory auditor

In accordance with the law and articles of association, the shareholders will be requested at the annual shareholders' meeting of April 30, 2014 to grant discharge to the directors and the statutory auditors of their responsibilities assumed in the financial year 2013.

5.12. Information required pursuant to article 34 of the belgian royal decree of november 14, 2007 and the law of april 6, 2010

We refer to the consolidated annual report of the board of directors.

This report shall be deposited in accordance with the relevant legal provisions and is available at the registered office of the Company.

Mechelen, March 11, 2014

On behalf of the board of directors

John Porter
Chief Executive Officer

Frank Donck
Chairman

Corporate Communications

T. 015 33 30 00 - www.telenet.be

Responsible editor

Telenet, Rob Goyens
Liersesteenweg 4, 2800 Mechelen