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Telenet to extend its cable presence in Brussels, a part of Wallonia and parts of the Grand Duchy of Luxembourg, through the acquisition of SFR BeLux

Brussels – 22 December 2016. **Telenet Group BVBA**, a direct subsidiary of Telenet Group Holding NV (“Telenet”) (Euronext Brussels: TNET), has entered into a definitive agreement to acquire **Coditel Brabant SPRL** for €400 million on a cash and debt free basis from **Coditel Holding S.A.**, a subsidiary of **Altice N.V.** **Coditel Brabant SPRL**, operating under the **SFR** brand (formerly **Numéricable**), provides cable services to households and businesses in Brussels, Wallonia and Luxembourg and offers mobile telephony services in Belgium through an MVNO Agreement with **BASE**¹. Through this acquisition, Telenet would extend its cable footprint beyond the current Flemish and Brussels coverage areas to parts of Wallonia and the Grand Duchy of Luxembourg, while covering roughly two-thirds of the Brussels footprint post this acquisition. Following the acquisition of the Belgian mobile operator **BASE** in February 2016, Telenet has been pursuing a strategy of positioning itself as a leading provider of converged connected entertainment and B2B services nationwide. The acquisition of **SFR BeLux** would give a major part of Brussels and part of Wallonia access to Telenet’s high quality video, high-speed internet and fixed and mobile telephony services. The transaction is subject to customary closing conditions, including approval from the relevant competition authorities.

Key highlights

- Telenet announces that it has signed a definitive agreement to acquire **Coditel Brabant SPRL** and its subsidiary **Coditel S.à r.l.** (together “**SFR BeLux**”) for €400 million on a cash and debt free basis.
- The acquisition values **SFR BeLux** at 6.5x 2016E Adjusted EBITDA² when adjusted for projected annual run-rate synergies of €16 million³ by 2021. The proposed synergies are mainly driven by (1) an extended footprint in Brussels, (2) the introduction of competitive and appealing quadruple-play offers (combination of video, high-speed internet, fixed and mobile telephony), (3) B2B growth and (4) overall cost synergies.
- Telenet intends to finance the acquisition through a combination of existing cash and cash equivalents and available liquidity under its revolving credit facilities.
- Assuming 50% of the purchase price is financed with Telenet’s revolving credit facilities and including a portion of the projected annual run-rate cost synergies, Telenet’s pro forma net leverage ratio as of September 30, 2016 would have been approximately 3.6x compared to 3.4x on a reported basis, which is well within Telenet’s long-term target range and financial covenants.

¹ Former BASE Company NV, currently known as Telenet Group BVBA

² The estimated 2016 Adjusted EBITDA (as customarily defined by Telenet) of €45.7 million under EU IFRS is based on SFR BeLux management’s forecasts, as adjusted by Telenet management

³ Projected annual run-rate synergies by 2021 are split evenly between (1) incremental EBITDA derived from revenue-related synergies and (2) cost-related synergies and are based on Telenet management’s assumptions



- In order to be able to provide an amazing customer experience over the acquired network and to fully compete for market share growth, Telenet expects to invest approximately €12 million over the 2017-2018 timeframe beyond the normalized capex run-rate. Substantially all of the investments would be used to modernize the acquired cable network. In addition, Telenet expects to incur around €4 million of one-time integration expenses.
- The operation would enable Telenet **to extend its cable footprint** in Brussels and a part of Wallonia. Combined with the recent acquisition of the nationwide BASE mobile network, this will also allow Telenet to position itself as a **convergent telecommunications operator** in Brussels and a part of Wallonia for residential as well as business customers.
- **In Brussels**, Telenet would increase its **coverage to two-thirds of the municipalities** post this acquisition, **making it the capital's largest cable operator**. Telenet already operates in seven municipalities in the Brussels Capital Region (Schaerbeek, Etterbeek, Koekelberg, Berchem-Sainte-Agathe, Ganshoren, Jette and Forest) and will now extend its operations to **six new municipalities** (Saint-Josse-ten-Noode, City of Brussels, Watermael-Boisfort, Woluwe-Saint-Lambert, Anderlecht and Molenbeek-Saint-Jean) and two new municipalities in Flanders (Wemmel and Drogenbos). **In Wallonia**, the acquisition will extend Telenet's coverage to **seven new municipalities** (Chimay, Couvin, Sivry-Rance, Momignies, Erquelinnes, Beaumont and Froidchappelle in the "boot of Hainaut" region). The acquisition also covers several thousand SFR BeLux mobile customers in Belgium who are using the BASE network.
- The acquisition also includes SFR Belux's operations in the Grand Duchy of Luxembourg.
- The acquisition will shortly be submitted to the Belgian competition authorities for approval. Telenet is confident that approval will be received within a few months.

John Porter, Telenet CEO: *"We are very pleased with the acquisition of SFR BeLux as it would enable Telenet to extend its geographical footprint and offer approximately 90,000 customers in Belgium and 15,000 customers in the Grand Duchy of Luxembourg the high-quality services for which our company has already won acclaim. Following the BASE acquisition that was concluded in the beginning of the year, we have entered a new phase of growth and this acquisition is a next, very important step in this strategy. Our ambition is to have the best networks (fixed and mobile) and the best services (landline and mobile telephony - high-speed Internet - digital TV) in Belgium. We are also very delighted to be able to launch our great services in the Grand Duchy of Luxembourg on our own network."*

SFR BeLux at a glance

SFR BeLux is a subsidiary of Coditel Holding S.A., a subsidiary of Altice N.V. SFR Belux offers telecommunications services in Brussels (television, Internet, and landline telephony), where its cable network covers six municipalities. The company's cable network also covers the municipalities of Wemmel and Drogenbos in Flanders. SFR BeLux also operates the cable network of the intermunicipal company AIESH in the "boot of Hainaut". The company has over 90,000 customers in Belgium.

Information about the areas that are currently covered by the SFR network in Belgium: <http://www.sfr.be/fr/eligibilite>.



SFR BeLux also operates in the Grand Duchy of Luxembourg, where it has approximately 15,000 customers. Information about SFR Belux's network coverage in the Grand Duchy of Luxembourg: <http://www.sfr.lu/eligibilite>.

SFR BeLux has operated as an MVNO since the end of 2014, selling mobile telephone services under its own brand name using BASE's 2G, 3G and 4G mobile network.

This press release contains, and our officers and representatives may from time to time make, forward-looking statements, including statements regarding the timing and benefits of the transaction, including scale and synergy benefits and opportunities; the expected impact of the transaction on the combined operations and financial performance of Telenet and other information and statements that are not historical fact. Forward-looking statements can be identified by words such as "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "strategy," "future," "likely," "may," "should," "will" and similar references to future periods. These forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these statements and therefore, you should not rely on any of these forward-looking statements. These risks and uncertainties include our ability to continue financial and operational growth at historic levels, continued use by subscribers of our services, our ability to achieve expected operational efficiencies, synergies and economies of scale, as well as other factors detailed from time to time in Telenet's quarterly earnings releases and Annual Report. These forward-looking statements speak only as of the date of this release. Telenet expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement, whether written or oral, that may be made from time to time, to reflect any change in Telenet's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

About Telenet - Telenet is a leading provider of entertainment and telecommunication services in Belgium. Under the brand name Telenet, the company provides cable television, high-speed Internet and telecom services, primarily to residential customers in Flanders and Brussels in seven municipalities. Under the brand name BASE, it also provides mobile telephony services in Belgium. The Telenet Business department serves the business market in Belgium and Luxembourg with connectivity, hosting and security solutions. More than 3,000 employees have one aim in mind: making living and working easier and more pleasant.

Telenet Group Holding NV is listed on the Euronext Brussels stock exchange under the ticker symbol TNET. Go to www.telenet.be for further information.

Investor & Analyst call: Telenet will host a conference call for institutional investors and analysts today at 8:30am CET. Please participate using the following dial-in details:

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