OFFERING MEMORANDUM

Ziggo Bond Company B.V.

€1,208,850,000
8% Senior Notes due 2018

The €1,208.85 million 8% Senior Notes due 2018 (the "Notes") will be issued by Ziggo Bond Company B.V. (the "Issuer"). The Issuer will pay interest on the Notes semi-annually on each May 15 and November 15, commencing November 15, 2010. The Notes will mature on May 15, 2018. Some or all of the Notes may be redeemed prior to May 15, 2014 by paying 100% of the principal amount of such Notes plus a "make-whole" premium and at any time on or after May 15, 2014 at the redemption prices set forth in this offering memorandum. In addition, at any time on or prior to May 15, 2013, up to 35% of the aggregate principal amount of the Notes may be redeemed with the net proceeds of certain equity offerings, if at least 65% of the originally issued aggregate principal amount of the Notes remains outstanding. All of the Notes may also be redeemed at 100% of their principal amount plus accrued interest upon the occurrence of certain changes in applicable tax law. Upon the occurrence of certain change of control events, each holder of the Notes may require the Issuer to repurchase all or a portion of its Notes.

The Notes will be senior obligations of the Issuer and will be guaranteed on a senior subordinated basis by all of its subsidiaries. The Notes will be secured on a first-ranking basis by pledges over all of the shares of Amsterdamse Beheer- en Consultingmaatschappij B.V. ("ABC B.V."), the direct wholly-owned subsidiary of the Issuer, and over the Issuer's rights under a loan to ABC B.V. representing the proceeds of the offering of the Notes.

This offering memorandum includes information on the terms of the Notes and guarantees, including redemption and repurchase prices, security, covenants and transfer restrictions.

Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF market.

Investing in the Notes involves risks that are described in the "Risk Factors" section beginning on page 20 of this offering memorandum.

Price: 99.271%

The Notes and the guarantees have not been registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any other jurisdiction. Unless they are registered, the Notes may be offered only in transactions that are exempt from registration under the U.S. Securities Act or the securities laws of any other jurisdiction. Accordingly, we are offering the Notes only to qualified institutional buyers under Rule 144A and to persons outside the United States in reliance on Regulation S under the U.S. Securities Act. For further details about eligible offerees and resale restrictions, see "Notice to Investors".

Delivery of the Notes was made to investors in book-entry form through Euroclear System ("Euroclear") and Clearstream Banking, *société anonyme*, ("Clearstream") on May 7, 2010. Interests in each global note will be exchangeable for the relevant definitive notes only in certain limited circumstances. See "Book-Entry, Delivery and Form".

Joint Global Coordinators and Joint Physical Bookrunners

Credit Suisse **Goldman Sachs International**

Joint Bookrunners

BNP PARIBAS **Deutsche Bank** **ING** **J.P. Morgan**

Joint Lead Managers

Morgan Stanley **The Royal Bank of Scotland**

Co-Managers

Fortis Bank Nederland **Lloyds TSB Corporate Markets** **Natixis**
Nomura **Rabobank International** **Société Générale Corporate & Investment Banking**

The date of this offering memorandum is May 19, 2010.

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We have not authorized any dealer, salesperson or other person to give any information or represent anything to you other than the information contained in this offering memorandum. You must not rely on unauthorized information or representations.

If you purchase the Notes, you will be deemed to have made certain acknowledgments, representations and warranties as detailed under "Notice to Investors". You may be required to bear the financial risk of an investment in the Notes for an indefinite period. Neither we nor the initial purchasers are making an offer to sell the Notes in any jurisdiction where the offer and sale of the Notes is prohibited. We are not making any representation to you that the Notes are a legal investment for you. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose.

The Issuer and the initial purchasers are offering to sell the Notes only in places where offers and sales are permitted.

IN CONNECTION WITH THIS OFFERING, CREDIT SUISSE SECURITIES (EUROPE) LIMITED AND GOLDMAN SACHS INTERNATIONAL (THE "STABILIZING MANAGERS") (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGERS) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGERS (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGERS) WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT MUST END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 CALENDAR DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES.

The Issuer is offering the Notes, and the guarantors are issuing the guarantees, in reliance on exemptions from the registration requirements of the U.S. Securities Act. These exemptions apply to offers and sales of securities that do not involve a public offering. The Notes have not been registered with, recommended by or approved by the U.S. Securities and Exchange Commission (the "SEC") or any other securities commission or regulatory authority, nor has the SEC or any such securities commission or authority passed upon the accuracy or adequacy of this offering memorandum. Any representation to the contrary is a criminal offense in the United States.

We have prepared this offering memorandum solely for use in connection with the offer of the Notes to qualified institutional buyers under Rule 144A under the U.S. Securities Act and to non-U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) outside the United States under Regulation S under the U.S. Securities Act. You agree that you will hold the information contained in this offering memorandum and the transactions contemplated hereby in confidence. You may not distribute this offering memorandum to any person, other than a person retained to advise you in connection with the purchase of the Notes.

Each prospective purchaser of the Notes must comply with all applicable laws and rules and regulations in force in any jurisdiction in which it purchases, offers or sells the Notes and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and neither we nor the initial purchasers shall have any responsibility therefor.

You are not to construe the contents of this offering memorandum as investment, legal or tax advice. You should consult your own counsel, accountant and other advisers as to legal, tax, business, financial and related aspects of a purchase of the Notes. You are responsible for making your own examination of us and your own assessment of the merits and risks of investing in the Notes. We are not, and the initial purchasers are not, making any representations to you regarding the legality of an investment in the Notes by you.

The information contained in this offering memorandum has been furnished by us and other sources we believe to be reliable. No representation or warranty, express or implied, is made by the initial purchasers as to the accuracy or completeness of any of the information set out in this offering memorandum, and nothing contained in this offering memorandum is or shall be relied upon as a promise or representation by the initial purchasers, whether as to the past or the future. This offering memorandum contains summaries, believed to be accurate, of some of the terms of specified documents, but reference is made to the actual documents, copies of which will be made available by us upon request, for the complete information contained in those documents. Copies of such documents and other information relating to the issuance of the Notes will also be available for inspection at the specified offices of the Luxembourg Paying Agent. All summaries of the documents contained herein are qualified in their entirety by this reference. You agree to the foregoing by accepting this offering memorandum.

We accept responsibility for the accuracy of the information contained in this offering memorandum. We have made all reasonable inquiries and confirm to the best of our knowledge, information and belief that the information contained in this offering memorandum with regard to us, our subsidiaries and affiliates and the Notes is true and accurate in all material respects, that the opinions and intentions expressed in this offering memorandum are honestly held and that we are not aware of any other acts the omission of which would make this offering memorandum or any statement contained herein misleading in any material respect.

No person is authorized in connection with any offering made pursuant to this offering memorandum to give any information or to make any representation not contained in this offering memorandum, and, if given or made, any other information or representation must not be relied upon as having been authorized by us or the initial purchasers. The information contained in this offering memorandum is current at the date hereof. Neither the delivery of this offering memorandum at any time nor any subsequent commitment to enter into any financing shall, under any circumstances, create any implication that there has been no change in the information set out in this offering memorandum or in our affairs since the date of this offering memorandum.

We reserve the right to withdraw the offering of the Notes at any time, and we and the initial purchasers reserve the right to reject any commitment to subscribe for the Notes in whole or in part and to allot to you less than the full amount of Notes subscribed for by you.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the U.S. Securities Act and applicable securities laws of any other jurisdiction pursuant to registration or exemption therefrom. Prospective purchasers should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. See "Notice to Investors" and "Plan of Distribution".

This offering memorandum may only be used for the purpose for which it has been published.

Internal Revenue Service Circular 230 Disclosure

PURSUANT TO INTERNAL REVENUE SERVICE CIRCULAR 230, WE HEREBY INFORM YOU THAT THE DESCRIPTION SET FORTH HEREIN WITH RESPECT TO U.S. FEDERAL TAX ISSUES WAS NOT INTENDED OR WRITTEN TO BE USED, AND SUCH DESCRIPTION CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING ANY PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER UNDER THE U.S. INTERNAL REVENUE CODE. SUCH DESCRIPTION WAS WRITTEN IN CONNECTION WITH THE MARKETING OF THE NOTES. TAXPAYERS SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER CHAPTER 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO CERTAIN EUROPEAN INVESTORS

European Economic Area. This offering memorandum has been prepared on the basis that all offers of the Notes will be made pursuant to an exemption under Article 3 of Directive 2003/71/EC (the "Prospectus Directive"), as implemented in Member States of the European Economic Area (the "EEA"), from the requirement to produce a prospectus for offers of the Notes. Accordingly, any person making or intending to make any offer within the EEA of the

Notes should only do so in circumstances in which no obligation arises for us or any of the initial purchasers to publish a prospectus for such offer. Neither we nor the initial purchasers have authorized, nor do they authorize, the making of any offer of Notes through any financial intermediary, other than offers made by the initial purchasers, which constitute the final placement of the Notes contemplated in this offering memorandum.

In relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), an offer to the public of any Notes which are the subject of the offering contemplated by this offering memorandum is not being made, will not be made and may not be made in that Relevant Member State other than:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to fewer than 100 natural or legal persons (other than qualified investors as defined in Article 2(1)(e) of the Prospectus Directive);

(c) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or

(d) in any other circumstances falling within Article 3(2) of the Prospectus Directive provided that no such offer of the Notes shall require the Issuer or the initial purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of notes to the public" in relation to the Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each subscriber for or purchaser of the Notes in the offering located within a Member State of the EEA will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of Article 2(1)(e) of the Prospectus Directive. The Issuer, the initial purchasers and their affiliates, and others will rely upon the trust and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the initial purchasers of such fact in writing may, with the consent of the initial purchasers, be permitted to subscribe for or purchase the Notes in this Offering.

Austria. The Notes may be offered and sold in the Republic of Austria only in compliance with the Capital Markets Act (*Kapitalmarktgesetz*) as amended and applicable European Union legislation. This offering memorandum has not been approved under the Austrian Capital Markets Act (*Kapitalmarktgesetz*) or the Directive 2003/71/EC and accordingly the Notes may not be offered publicly in Austria.

France. This offering memorandum has not been prepared in the context of a public offering in France within the meaning of Article L. 411-1 of the *Code Monétaire et Financier* and Title I of Book II of the *Règlement Général* of the *Autorite des marches financiers* (the "AMF") and therefore has not been submitted for clearance to the AMF. Consequently, the Notes may not be, directly or indirectly, offered or sold to the public in France, and offers and sales of the Notes will only be made in France to providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion deportefeuillepour le compte de tiers*) and/or to qualified investors (*investisseurs qualifiés*) and/or to a closed circle of investors (*cercle restreint a'investisseurs*) acting for their own accounts, as defined in and in accordance with Articles L. 411-2 and D. 411-1 of the *Code of Monetaire et Financier*. Neither this offering memorandum nor any other offering material may be distributed to the public in France.

Germany. The Notes may be offered and sold in Germany only in compliance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*) as amended, the Commission Regulation (EC) No 809/2004 of April 29, 2004 as amended, or any other laws applicable in Germany governing the issue, offering and sale of securities. This offering memorandum has not been approved under the German Securities Prospectus Act (*Wertpapierprospektgesetz*) or the Directive 2003/71/EC and accordingly the Notes may not be offered publicly in Germany.

Italy. No action has been or will be taken which could allow an offering of the Notes to the public in the Republic of Italy. Accordingly, the Notes may not be offered or sold directly or indirectly in the Republic of Italy, and neither this offering memorandum nor any other offering circular, prospectus, form of application, advertisement, other offering material or other information relating to the Issuer, the guarantors or the Notes may be issued, distributed or published in the Republic of Italy, except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations. The Notes cannot be offered or sold to any natural persons nor to entities other than qualified investors (according to the definition provided for by the Prospectus Directive) either on the primary or on the secondary market.

Grand Duchy of Luxembourg. The terms and conditions relating to this offering memorandum have not been approved by and will not be submitted for approval to the Luxembourg Financial Services Authority (*Commission de Surveillance du Secteur Financier*) for purposes of public offering or sale in the Grand Duchy of Luxembourg ("Luxembourg"). Accordingly, the Notes may not be offered or sold to the public in Luxembourg, directly or indirectly, and neither this offering memorandum nor any other circular, prospectus, form of application, advertisement or other material may be distributed, or otherwise made available in or from, or published in, Luxembourg except for the sole purpose of the admission to trading and listing of the Notes on the Official List of the Luxembourg Stock Exchange and except in circumstances which do not constitute a public offer of securities to the public, subject to prospectus requirements, in accordance with the Luxembourg Act of July 10, 2005 on prospectuses for securities. This offering memorandum constitutes a prospectus for the purpose of such Act.

Spain. This offering has not been registered with the Comision Nacional del Mercado de Valores and therefore the Notes may not be offered in Spain by any means, except in circumstances which do not qualify as a public offer of securities in Spain in accordance with article 30 bis of the Securities Market Act ("*Ley 24/1988, de 28 dejulio del Mercado de Valores*") as amended and restated, or pursuant to an exemption from registration in accordance with article 41 of the Royal Decree 1310/2005 ("*Real Decreto 1310/2005, de 4 de noviembre por el que se desarrolla parcialmente la Ley 24/1988, de 28 dejulio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas publicas de venta o suscripción y del folleto exigible a tales efectos*").

Switzerland. The Notes offered hereby are being offered in Switzerland on the basis of a private placement only. This offering memorandum does not constitute a prospectus within the meaning of Art. 652 A of the Swiss Federal Code of Obligations.

United Kingdom. This offering memorandum is for distribution only to, and is only directed at, persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, (the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This offering memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION AND CERTAIN DEFINITIONS

Presentation of Financial Information

Financial statements presented

The Issuer was incorporated on March 30, 2010 for the purpose of the offering of the Notes. Consequently, limited historical financial information relating to the Issuer is available, and the financial information included in this offering memorandum with respect to the Issuer consists only of the audited statement of financial position of the Issuer as of March 31, 2010, which has been prepared in accordance with International Financial Reporting Standards as adopted by the European Commission for use in the European Union, or IFRS. The Issuer acquired all of the issued and outstanding shares of ABC B.V. on March 30, 2010. The Issuer changed its name from Zesko Bond Company B.V. to Ziggo Bond Company B.V. on April 22, 2010.

Because of the limited historical financial information available for the Issuer, we have included and primarily discussed in this offering memorandum the audited consolidated historical financial statements of ABC B.V. as of and for the years ended December 31, 2007, 2008, 2009. Accordingly, all references to “we”, “us” or “our” in respect of historical financial information in this offering memorandum are to ABC B.V. and its subsidiaries on a consolidated basis. The audited consolidated financial statements of ABC B.V. included herein and the accompanying notes thereto have been prepared in accordance with IFRS.

Other financial measures

In this offering memorandum we refer to EBITDA and Adjusted EBITDA. We define EBITDA as operating income plus depreciation and amortization as included in the consolidated income statement in our financial statements included elsewhere in this offering memorandum. Adjusted EBITDA refers to EBITDA as adjusted to remove the effects of operating expenses incurred in connection with the integration of our predecessor businesses. We do not expect to incur operating expenses in connection with the integration of our predecessor businesses in 2011 or beyond. Accordingly, we believe that the presentation of Adjusted EBITDA enhances an investor’s understanding of our underlying financial performance.

Certain Definitions

Unless indicated otherwise in this offering memorandum or the context requires otherwise:

- all references to “Ziggo”, the “Ziggo Group”, “we”, “us” or “our” are to the Issuer and its consolidated subsidiaries;
- all references to the “Issuer” are to Ziggo Bond Company B.V. and not to any of its subsidiaries;
- all references to the “@Home Business” are to the businesses and assets of Essent Kabelcom B.V.;
- all references to “ABC B.V.” are to Amsterdamse Beheer- en Consultingmaatschappij B.V., the direct wholly-owned subsidiary of the Issuer;
- all references to the “Amended Senior Credit Agreement” are to the Senior Credit Agreement as amended and restated on the Issue Date as described under “Description of Other Indebtedness—Senior Secured Credit Facilities”;
- all references to “ARPU” refer to average monthly revenue per user for the referenced period, a measure used to track growth in revenue per user;
- all references to “blended ARPU” mean the total service revenue for the period divided by the number of months in the period and divided by the period’s average total customers; blended ARPU is calculated as the sum of total standard cable, digital pay television, broadband Internet, telephony and All-in-1 service revenue for the period divided by 12 (the number of months used) and divided by the period’s average monthly total standard cable RGUs;
- all references to the “Casema Business” are to the businesses and assets of Casema Holding B.V.;
- all references to CBA B.V. are to Christina Beheer- en Adviesmaatschappij B.V., an indirect wholly-owned subsidiary of the Issuer;

- all references to “churn” are to the voluntary or involuntary discontinuance of services to a customer; the churn rate information presented herein is the percentage measure of the number of product subscriptions that have been discontinued (not including transfers by subscribers who relocate within our network area and not including transfers between different service tiers) in the respective period divided by the average number of subscribers of each of standard cable, digital television, broadband Internet and telephony during that period;

- all references to “Cinven” are to Cinven Limited;

- all references to the “Cinven Funds” are to the Fourth Cinven Fund (No. 1) Limited Partnership, the Fourth Cinven Fund (No. 2) Limited Partnership, the Fourth Cinven Fund (No. 3—VCOC) Limited Partnership, the Fourth Cinven Fund (No. 4) Limited Partnership, the Fourth Cinven Fund (UBTI) Limited Partnership, the Fourth Cinven (MACIF) Limited Partnership, the Fourth Cinven Fund Co-Investment Partnership and the Fourth Cinven Fund FCPR, which together are a 37.3% shareholder of Even Investments Sàrl;

- all references to the “Guarantors” are to the entities guaranteeing the obligations of the Issuer under the Notes on the Issue Date;

- all references to the “Indenture” are to the Indenture governing the Notes;

- all references to the “initial purchasers” are to the firms referred to under the “Plan of Distribution” section in this offering memorandum;

- all references to the “Issue Date” are to the date on which the Notes offered hereby are issued;

- all references to the “Mezzanine Credit Facilities” are to the €1,000,000,000 mezzanine credit facilities made available pursuant to the Mezzanine Credit Agreement, dated as of September 12, 2006, as subsequently amended, supplemented, varied, novated, extended or replaced from time to time, among ABC B.V., RBS N.V. (formerly known as ABN AMRO Bank N.V.), Credit Suisse, Goldman Sachs International, ING Bank N.V. and Morgan Stanley Bank International Limited, as arrangers, ING Bank N.V., as mezzanine agent and security agent, and the other parties thereto;

- all references to the “Multikabel Business” are to the businesses and assets of Multikabel N.V.;

- all references to the “Offering” are to the offering of the Notes hereby;

- all references to OPTA are to *Onafhankelijke Post en Telecommunicatie Autoriteit*, the Dutch Independent Post and Telecommunications Authority;

- all references to the “Parallel Priority Agreement” are to the Parallel Priority Agreement to be dated the Issue Date among the Issuer, the Guarantors, the Trustee, the senior agent under the Amended Senior Credit Agreement, the Security Agent and others;

- all references to the “predecessor businesses” are to the @Home Business, the Casema Business and the Multikabel Business, collectively;

- all references to the “Refinancing” are to the Offering, the repayment of the Mezzanine Credit Facilities and to the amendment and restatement of the Senior Credit Agreement pursuant to the Amended Senior Credit Agreement on the Issue Date;

- all references to “RGUs” refer to Revenue Generating Units; refers to each subscriber receiving standard cable, digital television, broadband Internet or telephony services over our network. Thus, one subscriber who receives all four services would be counted as four RGUs;

- all references to the “Security Agent” are to ING Bank N.V., as security agent for the Senior Secured Credit Facilities;

- all references to the “Security Trustee” are to Deutsche Trustee Company Limited, in its capacity as security trustee for the Notes;

- all references to the “Senior Credit Agreement” are to the Senior Credit Agreement, dated as of September 12, 2006, as subsequently amended, supplemented, varied, novated, extended or replaced from time to time, among ABC B.V., RBS N.V. (formerly known as ABN AMRO Bank N.V.), Credit Suisse, Goldman Sachs International, ING Bank N.V. and Morgan Stanley Bank International Limited as arrangers, ING Bank N.V., as facility agent and security agent, and the other parties thereto;

- all references to the "Senior Secured Credit Facilities" are to the credit facilities made available pursuant to the Amended Senior Credit Agreement;

- all references to "standard cable" refer to the standard cable television package we offer to our subscribers;

- all references to the "Trustee" are to Deutsche Trustee Company Limited, in its capacity as trustee under the Indenture governing the Notes;

- all references to the "Warburg Pincus Funds" are to Warburg Pincus Private Equity IX, L.P., Warburg Pincus (Bermuda) Private Equity L.P. and their respective affiliates, which together are a 37.3% shareholder of Even Investments Sàrl; and

- all references to "Warburg Pincus" are to Warburg Pincus LLC.

In this offering memorandum, unless otherwise indicated: all references to the "EU" are to the European Union; all references to "euro" or "€ " are to the lawful currency of the European Union; all references to the "United States" or the "U.S." are to the United States of America; all references to "U.S.$", "U.S. dollars", "dollars" or "$" are to the lawful currency of the United States.

We have provided definitions for some of the industry terms used in this offering memorandum in the "Glossary of Selected Terms" beginning on page G-1 of this offering memorandum.

EXCHANGE RATE INFORMATION

We present our consolidated financial statements in euro. We have set forth in the table below, for the periods and dates indicated, period average, high, low and end exchange rates as published by Bloomberg. We have provided this exchange rate information solely for your convenience. We make no representation that any amount of currencies specified in the table below has been, or could be, converted into the applicable currency at the rates indicated or any other rate. The exchange rate of the euro on May 18, 2010 was $1.2335 = €1.00.

	U.S.$ per €1.00			
	Period Average(1)	High	Low	Period End
Year				
2005	1.2444	1.3465	1.1670	1.1849
2006	1.2566	1.3343	1.1820	1.3197
2007	1.3709	1.4872	1.2893	1.4589
2008	1.4712	1.5991	1.2453	1.3971
2009	1.3949	1.5134	1.2530	1.4321
Month				
October 2009	1.4813	1.5034	1.4548	1.4736
November 2009	1.4914	1.5081	1.4686	1.4976
December 2009	1.4572	1.5094	1.4275	1.4331
January 2010	1.4280	1.4510	1.3889	1.3889
February 2010	1.3682	1.3958	1.3521	1.3602
March 2010	1.3574	1.3776	1.3303	1.3533
April 2010	1.3420	1.3663	1.3161	1.3272
May (through May 18, 2010)	1.2703	1.3199	1.2321	1.2335

(1) Period Average means the average of the exchange rates on the last business day of each month for annual averages and the average of the exchange rates on each business day during the relevant period for monthly averages.

TAX CONSIDERATIONS

Prospective purchasers of the Notes are advised to consult their own tax advisors as to the consequences of purchasing, holding and disposing of the Notes, including, without limitation, the application of U.S. federal tax laws to their particular situations, as well as any consequences to them under the laws of any other taxing jurisdiction, and the consequences of purchasing the Notes at a price other than the initial issue price in the Offering. See "Certain Tax Considerations".

FORWARD-LOOKING STATEMENTS

This offering memorandum contains "forward-looking statements" as that term is defined by the U.S. federal securities laws. These forward-looking statements include, but are not limited to, statements other than statements of historical facts contained in this offering memorandum, including, but without limitation, those regarding our future financial condition, results of operations and business, our product, acquisition, disposition and finance strategies, our capital expenditure priorities, subscriber growth and retention rates, competitive and economic factors, the maturity of our markets, anticipated cost increases, liquidity, credit risk and target leverage levels. In some cases, you can identify these statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "plan", "potential", "predict", "project", "should", and "will" and similar words used in this offering memorandum.

By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties. Many of these assumptions, risks and uncertainties are beyond our control. Accordingly, actual results may differ materially from those expressed or implied by the forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we operate. We caution readers not to place undue reliance on the statements, which speak only as of the date of this offering memorandum, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based.

Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished.

Risks and uncertainties that could cause actual results to vary materially from those anticipated in the forward-looking statements included in this offering memorandum include those described under "Risk Factors".

The following include some but not all of the factors that could cause actual results or events to differ materially from those anticipated results or events:

- general economic trends and trends in the cable television and telecommunications industries;
- the competitive environment in which we operate;
- fluctuations in interest rates;
- consumer disposable income and spending levels, including the availability and amount of individual consumer credit;
- changes in consumer television viewing preferences and habits;
- consumer acceptance of existing service offerings, including our standard cable, digital pay television, broadband Internet and telephony services;
- consumer acceptance of new technology, programming alternatives and broadband services that we may offer;
- our ability to manage rapid technological changes;
- our ability to maintain or increase the number of subscriptions to our standard cable, digital pay television, broadband Internet and telephony services and our average monthly revenue per user;

- our ability to maintain or increase rates to our subscribers or to pass through increased costs to our subscribers;

- the outcome of any pending or threatened litigation;

- changes in, or failure or inability to comply with, government regulations in the countries in which we, and the entities in which we have interests, operate and adverse outcomes from regulatory proceedings;

- government intervention that opens our distribution network to competitors;

- uncertainties inherent in the development and integration of new business lines and business strategies;

- capital spending for the acquisition and/or development of telecommunications networks and services;

- the availability of attractive programming for our digital video services at reasonable costs;

- the loss of key employees and the availability of qualified personnel; and

- events that are outside of our control, such as terrorist attacks, natural disasters or other events that may damage our network.

The television, broadband Internet and fixed-line telephony services industries are changing rapidly and, therefore, the forward-looking statements of expectations, plans and intent in this offering memorandum are subject to a significant degree of risk. These forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this offering memorandum, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based.

The cautionary statements set forth above should be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue. We undertake no obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this offering memorandum.

We disclose important factors that could cause our actual results to differ materially from our expectations in this offering memorandum. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf. When we indicate that an event, condition or circumstance could or would have an adverse effect on us, it means to include effects upon business, financial and other conditions, results of operations and ability to make payments on the Notes.

TRADEMARKS AND TRADE NAMES

We own or have rights to certain trademarks or trade names that we use in conjunction with the operation of our businesses. Each trademark, trade name or service mark of any other company appearing in this offering memorandum belongs to its holder.

HISTORICAL AND CURRENT MARKET AND INDUSTRY DATA

Historical and current market data used throughout this offering memorandum were obtained from internal company analyses and industry publications. In particular, certain information has been provided by Screen Digest and Telecompaper. In addition, we have sourced certain Dutch telecom market sizes for 2009 from Gartner reports titled, "Forecast: Consumer Fixed Voice, Internet and Broadband Service Revenue, Worldwide, 2008-2014, 1Q10 Update" and "Forecast: Enterprise Network Services, Worldwide, 2007-2014, 1Q10 Update" (together, the "Gartner Reports"). Industry surveys and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but the accuracy and completeness of the information contained in industry publications is not guaranteed. We have not independently verified this market data. While we are not aware of any misstatements regarding any industry or similar data presented herein, such data involve risks and uncertainties and are subject to change based on various factors, including those discussed under the "Risk Factors" section in this offering memorandum.

Internal company analyses, while believed by us to be reliable, have not been verified by any independent sources, and neither we nor any of the initial purchasers make any representation as to the accuracy of such information. In this offering memorandum, we present estimates of our subscription market share within our network area for each of our standard cable, broadband Internet and telephony services. We estimate our subscription market share within our network area by making adjustments to national data obtained from industry publications. Such adjustments are based on assumptions that may not be accurate and, as a result, our actual market share within our network area may differ from the estimates we present in this offering memorandum. In particular, we assume that per capita subscription rates for standard cable, broadband Internet and telephony services are the same within our network area as they are nationally.

SUMMARY

This summary highlights information contained elsewhere in this offering memorandum. It is not complete and may not contain all the information that you should consider before investing in the Notes. You should read the entire offering memorandum, including the more detailed information in the financial information and the related notes thereto included elsewhere in this offering memorandum, before making an investment decision. See "Risk Factors" for factors that you should consider before investing in the Notes and "Forward-Looking Statements" for information relating to the statements contained in this offering memorandum that are not historical facts.

Our Business

Overview

We are the largest cable television operator in the Netherlands. Our cable network covers 55% of the Netherlands by homes passed and includes the metropolitan centers of Utrecht and The Hague. We were formed through the combination of the Multikabel Business, the Casema Business and the @Home Business in 2007, and we rebranded the combined businesses under the "Ziggo" brand in May 2008. We provide standard cable television and digital pay television, including high definition and on-demand television, high speed broadband Internet and telephony services to subscribers who reside in our network area. We also combine our services into packages, or bundles, which offer subscribers the convenience of being able to order television, broadband Internet and telephony services from a single provider at an attractive price. In addition, we offer voice and data services to small and medium-sized businesses within our network area.

As of December 31, 2009, we had approximately 3.2 million unique residential subscribers, which represents 80.2% of homes passed by our network. As of December 31, 2009, all of our 3.2 million unique residential subscribers subscribed to our standard cable services, 1.4 million subscribed to our broadband Internet services and 1.0 million subscribed to our telephony services. In addition, approximately 49% of our standard cable subscribers had upgraded from analog to digital television. According to Telecompaper, our national subscription market shares for television, broadband Internet and telephony services were 40%, 24% and 17%, respectively. Based on internal estimates, we believe that our subscription market shares in our network area for television, broadband Internet and telephony services were approximately 70%, 40% and 30%, respectively. OPTA estimates that we have a national market share of between 40% and 50% in "triple-play" bundles of television, broadband Internet and telephony services. For the year ended December 31, 2009, our total revenue was €1,284.4 million, a 3.7% increase over the year ended December 31, 2008, and our Adjusted EBITDA was €695.8 million, a 2.8% increase over the year ended December 31, 2008.

The Netherlands has a number of characteristics that make it attractive for cable operators. The Netherlands is one of the most prosperous countries in Europe with a GDP per capita of approximately €34,000 in 2009. There is no material competition between us and other major cable network operators in the Netherlands because there is minimal overlap between cable networks. Furthermore, the first cable networks were widely deployed across the Netherlands as early as the 1970s and, as a result, other means of television delivery such as satellite and terrestrial broadcast have not become as popular in the Netherlands as they have in other European countries. Free-to-air terrestrial television, for example, is not a mainstream distribution platform in the Netherlands and is limited to only a handful of channels. Consequently, we are, aside from KPN (the incumbent fixed-line operator in the Netherlands) currently the only significant fixed end-to-end infrastructure-based provider of television and telecommunications services in our network area. In addition, due to the country's high population density, the costs of maintaining a cable network are lower in the Netherlands than in many other European countries.

The foundation of our business historically was the provision of standard cable television services. However, consumers are increasingly looking to receive all of their media and communications services from one provider at attractive prices in the form of bundles. In response, we are increasingly focusing on offering our subscribers broadband Internet and telephony subscriptions and services together with our standard cable television services in the form of triple-play bundles. We have derived, and believe we can continue to derive, substantial benefits from the trend towards bundled subscriptions, through which we are able to sell more products to individual subscribers, resulting in significantly higher ARPU and, in our experience, the reduction of customer churn. For the year ended December 31, 2009, our blended ARPU was €29.93 per month, a €1.33 increase over the year ended December 31, 2008.

We believe our cable network, which passed approximately four million homes and served 3.2 million unique residential subscribers as of December 31, 2009, is one of the most technically advanced in Europe. Our entire cable network has been upgraded to bi-directional capability, is fully EuroDocsis 3.0 enabled and provides a spectrum bandwidth capacity of 862 MHz, which is greater than the international industry average. As a result, our network offers greater capacity for television and broadband Internet services than KPN can offer over its fixed-line telephone network. In addition, due to our high level of prior investment in upgrading and integrating our network and systems, we believe that we can limit capital expenditures and network maintenance over the next several years to the incremental upgrades required by new customer subscriptions and increased usage, enabling us to maximize return on investment.

We provide the following products and services to our customers:

Standard Cable. As of December 31, 2009, we provided our standard cable services to all of our approximately 3.2 million unique residential subscribers, or 80.2% of homes passed by our network. All of our standard cable subscribers have access to 30 analog television channels and 30 to 40 radio channels. Our standard cable subscribers who have installed digital receivers and activated a smart card automatically have access to the same 30 television channels simulcast in digital, as well as an additional 35 digital channels and approximately 95 additional digital radio channels, for no additional fee. We offer our standard cable services in digital for no additional fee in order to encourage our subscribers to migrate to digital, where they will have access to our digital pay television services, including video-on-demand and other interactive television services. As of December 31, 2009, approximately 1.6 million, or 49.0%, of our standard cable subscribers had activated smart cards, up from approximately 1.1 million, or 34.5% of our standard cable subscribers as of December 31, 2008. We generally provide our standard cable services under individual contracts with our subscribers, the majority of whom pay monthly by direct debit. We also service certain multi-dwelling units such as hospitals, hotels and dormitories under bulk contracts. Excluding subscribers who purchased our standard cable services as part of our All-in-1 bundle, our standard cable services generated an ARPU of €13.15 per month in the year ended December 31, 2009.

Digital Pay Television. As of December 31, 2009, of our approximately 1.6 million subscribers who had activated smart cards, approximately 0.8 million had purchased digital pay television services from us. Our digital pay television services consist of both subscription programming that we assemble into premium packages, such as sports and movies, as well as video-on-demand content from third party providers, including Sony and Warner Brothers. We also offer "Catch-Up TV", which allows subscribers to watch recently broadcast television programs after they have been aired. Furthermore, an increasing portion of our digital content is now available in high definition format. For the year ended December 31, 2009, our digital pay television services generated an incremental ARPU (calculated based on the number of our subscribers who had activated smart cards) of €5.75 per month.

Broadband Internet. As of December 31, 2009, we provided our broadband Internet services to approximately 1.4 million subscribers. During 2009, we fully upgraded our network to EuroDocsis 3.0 technology, which allows us to offer our subscribers significantly higher speeds across our network than any of our competitors. We offer broadband Internet service with download speeds of up to 120 Mbps for our high end bundle subscribers in Utrecht, The Hague, Amersfoort, Enschede, Heerhugowaard, Meppel, Tilburg and Maastricht, which is significantly faster than the maximum download speed of 40 Mbps currently offered by KPN over its digital subscriber line, or DSL, network. We expect to complete the roll-out of 120 Mbps service across the rest of our network during the second half of 2010. Excluding subscribers who purchased our broadband Internet services as part of our All-in-1 bundle, our broadband Internet services generated an ARPU of €20.80 per month in the year ended December 31, 2009.

Telephony. As of December 31, 2009, we provided our telephony services to approximately 1.0 million subscribers, making us the second largest fixed-line telephony provider in our service area after KPN. We offer telephony services using voice over Internet protocol technology, or VoIP, which allows our customers to make traditional fixed-line telephone calls using a standard telephone handset and provides comparable quality to the PSTN and VoIP telephony services offered by KPN and others. For the year ended December 31, 2009, our telephony services generated an ARPU from subscriptions of €6.42 per month (excluding subscribers who purchased our telephony services as part of our All-in-1 bundle) and an ARPU from usage of €12.50 per month.

"All-in-1" Triple-Play Bundles. To address the needs of consumers looking to receive their media and communications services from one provider at an attractive price, in 2008 we introduced several bundling options to allow our subscribers to choose combinations of standard cable, broadband Internet and telephony services. We first introduced our "All-in-1" product to the market in May 2008, which is available in basic, plus and extra configurations and offers our subscribers standard or digital cable, broadband Internet and telephony services together for a lower price than taking these services on a stand-alone basis. As part of our All-in-1 product, we have Internet speeds available that are higher than those offered in our stand-alone Internet services, which we believe provides a strong incentive for our subscribers to upgrade to the All-in-1 product. We also derive substantial benefits from offering bundles to our subscribers, as bundles generate higher monthly ARPU and, in our experience, reduce customer churn. We are the market leader in triple-play bundle penetration within our network area, and we believe that we are uniquely positioned to provide each of these services with very high quality and in a single package. We have marketed, and expect to continue to market, our All-in-1 product aggressively. As of December 31, 2009, we provided All-in-1 bundles to approximately 675,000 subscribers, an increase of 156% from December 31, 2008, and our All-in-1 bundle generated an ARPU of €40.12 in the year ended December 31, 2009.

Our Competitive Strengths

We believe that we benefit from the following key strengths:

We operate in one of Europe's most favorable cable markets and have a large, affluent existing customer base. Our cable network covers 55% of the Netherlands by homes passed and includes the metropolitan centers of Utrecht and The Hague. We believe that the Netherlands is one of Europe's most attractive cable markets due to, among other things, a relatively high population density and cable penetration rate. The Netherlands is one of the most prosperous countries in Europe with a GDP per capita of approximately €34,000 in 2009. As of December 31, 2009, we provided our standard cable services to approximately 3.2 million unique residential subscribers, or 80.2% of homes passed by our network. We believe that our attractive network area and large and affluent existing customer base offer significant potential for us to sell our All-in-1 bundles and our other services both to our existing customer base and to new customers in our network area.

We can offer higher quality television and broadband Internet services than our competitors because of our state-of-the-art, highly-invested cable network. We believe that our state-of-the-art, highly-invested hybrid fiber and coaxial cable network allows us to offer cable television and broadband Internet services across our network area that are superior to the offerings of any of our competitors. Our network has recently been fully upgraded to bi-directional capability with spectrum bandwidth capacity of 862 MHz, allowing us to offer what we believe is the highest quality, most reliable analog and digital video and the most sophisticated interactive television services available in our network area. Our network is also EuroDocsis 3.0 enabled and our fiber network backbone generally extends to within 300 meters of our subscribers' homes. This allows us to offer our broadband Internet subscribers significantly higher speeds across our network area than KPN, our largest competitor in the broadband Internet access market and the only significant alternative fixed end-to-end infrastructure-based provider of television and telecommunications services in our network area, can offer over its DSL network. We believe that our competitors will need to make very large investments over several years in order to provide comparable television services and broadband Internet speeds in our network area using currently available technologies.

We have a superior platform to compete in the growing market for triple-play bundles in our network area. Consumers are increasingly looking to receive all of their media and communications services from one provider at an attractive price in the form of triple-play bundles. Given the relatively high levels of cable penetration in our network area and the higher monthly ARPU associated with bundled offerings, we believe that the increasing penetration of triple-play services within our network area will be one of the primary drivers of our future revenue growth. OPTA estimates that we are the leading provider of triple-play bundles in the Netherlands, holding between a 40% and 50% national market share. In addition, we believe that we have a superior platform to capture further growth in the market for triple-play bundles in our network area since we can offer our large existing customer base what we believe is the most attractive combination of high quality, interactive digital television, high speed broadband Internet and telephony services available. Our competitors who use satellite and digital terrestrial distribution are not able to offer integrated triple-play bundles due to their lack of an integrated bi-directional path for broadband Internet, telephony and interactive television services. Our DSL-based competitors, including KPN, are not currently able to match the quality of our digital video and interactive television services or our broadband Internet speeds across our network area.

Strong, stable cash flows and significant operating leverage. Our large customer base and relatively low churn rates provide us with significant predictability of future revenue and strong recurring cash flows, which have historically proven to be resilient even during periods of challenging economic conditions. Certain of our cost elements, such as a portion of our network operations, marketing, billing and administrative costs, are relatively fixed, which allows us to generate high incremental returns as we grow our business. In addition, as a result of our high level of prior investment in our network, we believe that we can limit capital expenditures over the next several years to the incremental upgrades required by new customer subscriptions and increased usage, enabling us to maximize return on investment and generate high incremental returns as we increase RGUs. We have capitalized on these advantages to increase our Adjusted EBITDA margin from 52.1% in the year ended December 31, 2007 to 54.2% in the year ended December 31, 2009, and in the year ended December 31, 2009, our Adjusted EBITDA less capital expenditures (excluding integration capital expenditures) margin was 37.9%, higher than that of most European cable operators. Over that time period, we have also reduced our net debt to Adjusted EBITDA ratio from 6.80x as of December 31, 2007 to 5.39x as of December 31, 2009. On a pro forma basis, after giving effect to the Refinancing, our net debt to Adjusted EBITDA ratio would have been 5.49x as of December 31, 2009.

We have a highly experienced management team with a successful track record at Ziggo. Our management team has a proven track record of integrating our predecessor businesses into Ziggo and developing and implementing our growth strategy. Prior to joining Ziggo, members of our management team successfully managed a broad range of telecom businesses. For example, Bernard Dijkhuizen, our Chief Executive Officer, was Chief Executive Officer of Essent Kabelcom B.V. from 2002 to 2007. Prior to that, he was Managing Director of Libertel Network (part of Vodafone). Marcel Nijhoff, our Chief Commercial Officer, was Chief Executive Officer of Multikabel N.V. from 2005 to

2007 and during the late 1990s was Vice President Marketing with A2000, the greater Amsterdam region cable operator (now part of UPC Holding B.V., or UPC). Bert Groenewegen, our Chief Financial Officer, joined us in March 2010. Mr. Groenewegen was Chairman of PCM Uitgevers from 2007 to 2009, after first having been Chief Financial Officer from 2005 to 2007. Paul Hendriks, our Chief Technical Officer, joined Ziggo in 2008. Prior to that, he fulfilled a broad range of management positions at KPN and was responsible for a series of major product introductions, such as VoIP.

We are also supported by our financial sponsors, Cinven and Warburg Pincus, each of which has extensive experience in investing in and developing telecommunications companies.

Our Strategy

The key components of our strategy are to:

Drive continued revenue and profit growth by leveraging our superior network to further increase market share and triple-play bundle penetration. Since the combination of our predecessor businesses in February 2007, we have achieved significant growth in our digital television, broadband Internet and telephony services and we plan to further increase our market shares for these services and our All-in-1 bundle through aggressive marketing to our existing and future customers. We have launched several successful initiatives to further increase the uptake of bundles and migrate subscribers to our All-in-1 product. In addition, we believe that our network, which we believe is one of the most advanced in Europe, allows us to offer subscribers high quality television, broadband Internet and telephony services and high quality bundles that cannot be matched by our competitors without significant capital investment. During 2009, we increased our All-in-1 subscriptions by 156% from December 31, 2008. We intend to continue to market our All-in-1 product aggressively.

Further promote the digitalization of our cable subscriber base and the development of our digital television offerings. We plan to continue to promote the digitalization of our cable subscriber base, which is a prerequisite for growth in our digital pay television services. Full simulcast of analog channels in digital format as part of our standard cable services allows any of our standard cable customers to receive digital services simply by purchasing a set-top box or television set with an integrated digital receiver and activating a smart card. We intend to continue to add additional content packages for digital television to stimulate their uptake, including interactive television and high definition programming. We have introduced a variety of interactive television services, including video-on-demand and Catch-Up TV, which allows customers to watch recently broadcast television programs after they have been aired. We intend to continue to focus on introducing innovative interactive television products and are adopting a considered approach to launching these new services at what we believe to be the right market timing, execution and pricing considerations, ensuring strict quality control to optimize the customer experience.

Further enhance customer satisfaction and maintain low churn rates through operational excellence. We have streamlined our operations, automated and integrated various customer care and billing systems and implemented earnings-based incentives to enhance customer satisfaction and maintain low churn rates. We have also established key performance indicators, which we monitor continuously to assess our operational processes, sales and marketing efficiency and the reliability of our infrastructure. We have invested heavily in our customer care function in order to improve satisfaction and retention at all customer touch points, including customer service centers, Ziggo engineers, online self care portal, and mobile “Ziggo Helps” centers. As a result, the number of customer service calls received monthly by our customer care centers has declined in each of the six months up to and including February 2010, the last month for which data is available. We plan to remain intensely focused on further enhancing customer satisfaction levels in response to feedback from our quarterly customer surveys.

Explore additional growth opportunities. We believe that the business to business segment presents a growth opportunity for us, providing us with an opportunity to leverage our existing network to meet the needs of small and medium-sized business customers. We plan to reposition our business to business offerings and more aggressively market them moving forward in order to gain a larger share of the market in our network area. We believe that due to our ability to provide telephony and high speed broadband Internet services over our existing cable network, we are well positioned to provide cost effective voice and data services to meet the needs of small and medium-sized enterprises without significant capital investment. We will also continue to explore cost effective new growth opportunities, such as IPTV and mobile broadband, in order to enhance and retain our strong position in the Dutch communications market. In addition, we regularly evaluate potential acquisitions of cable operators in contiguous regions, in order to expand our network coverage and create operational synergies. However, such acquisitions would likely be small because we and UPC are the only large cable operators in the Netherlands. We believe that due to our track record of integrating our predecessor businesses, as well as several smaller businesses that we have acquired, we would be able to successfully integrate future acquisitions and realize planned synergies.

Focus on cash flow growth. We believe that we have one of the best margin and cash flow generation profiles among European cable operators. We are committed to exploiting growth opportunities available to us in a manner that generates high incremental return on our investments. The large scale of our existing operations provides us with a platform to roll out new products and services to a large existing customer base and translate revenue growth into profitability and cash flow generation. We also expect to improve further our cash flow conversion as we benefit from operating and capital expenditure leverage as our business grows.

Our Shareholders

Cinven

Cinven is a leading private equity provider for large European buyouts, having led transactions totalling in excess of €60 billion. Since 1996, the Cinven team has completed 37 buyouts of more than €500 million in eight countries across Europe. The most recent fund totals € 6.5 billion. Cinven focuses on six sectors across Europe: business services; consumer; financial services; healthcare; industrials; and TMT (telecommunications, media and technology) and has offices in London, Frankfurt, Milan, Paris and Hong Kong. Cinven has extensive experience in the cable and satellite industry as demonstrated by the consolidation of the French cable market (Numericable and Completel) and the investment in Eutelsat.

Warburg Pincus

Warburg Pincus is a leading global private equity firm. Warburg Pincus invests in a range of sectors including healthcare, financial services, energy, TMT, consumer and industrial. Founded in 1966, Warburg Pincus has raised 13 private equity funds which have invested more than $35 billion in approximately 600 companies in more than 30 countries. Warburg Pincus has invested approximately $10 billion in approximately 200 technology, media and telecommunications companies around the world. In Europe, the firm's cable investments include Comcast Cable Partners UK, Multikabel and Fibernet. Warburg Pincus has offices in Beijing, Frankfurt, Hong Kong, London, Mumbai, New York, San Francisco, Shanghai and Tokyo.

The Refinancing

The net proceeds of the Offering will be used to refinance the entire amount outstanding under the Mezzanine Credit Facilities. See "Use of Proceeds" and "Description of Other Indebtedness—Senior Secured Credit Facilities".

Recent Developments

For the three months ended March 31, 2010, our revenues were € 338.8 million, our Adjusted EBITDA was €195.1 million (representing an Adjusted EBITDA margin of 57.6%) and our capital expenditure (excluding integration capital expenditure) was €36.4 million. The table below shows certain estimated operating data as of and for the three months ended March 31, 2010.

	As of March 31, 2010	Percentage change compared to balance as of December 31, 2009
	(in thousands, except percentages) (unaudited)	
Footprint[1]		
Homes passed[2]	4,070	0%
RGUs[1]		
Standard cable		
Non-bundle	2,401	(4)%
All-in-1 bundle	739	9%
Total standard cable	3,140	(1)%
Digital television[3]	1,622	5%
Broadband Internet		
Non-bundle	733	(5)%
All-in-1 bundle	739	9%
Total broadband Internet	1,472	2%
Telephony		
Non-bundle	294	(9)%
All-in-1 bundle	739	9%
Total telephony	1,033	3%
Total RGUs	7,268	1%
Total All-in-1 bundle subscribers	739	9%
Penetration[1]		
Standard cable subscribers as % of homes passed[4]	79.6%	
Digital TV as % of standard cable subscribers	51.7%	
All-in-1 bundle subscribers as % of standard cable subscribers	23.5%	

	For the three months ended March 31, 2010
	(unaudited)
ARPU per month[5]	
Standard cable	13.41
Digital pay television[6]	6.20
Broadband Internet	20.70
Telephony subscription[7]	6.97
Telephony usage[8]	12.81
All-in-1 bundle	41.33
Blended ARPU[9]	32.55

(1) Operating data related to our footprint, RGUs and penetration is presented as of the end of the period indicated.

(2) We provide our services to customers directly over our network and over certain cable networks owned by third parties with whom we have entered into exclusive or non-exclusive agreements to provide our services over their networks.

(3) Digital television RGUs equals the total number of standard cable subscribers who have activated smart cards as of the periods indicated. As a result, digital television RGUs represents the number of subscribers who have access to our digital pay television services. In any given period, not all of these digital television RGUs will have purchased our digital pay television services.

(4) Standard cable subscribers as a percentage of homes passed is calculated by excluding homes passed by third party networks, which was 126,000 as of March 31, 2010. Although we provide certain of our services over third party networks, we generally do not offer standard cable services over third party networks and our standard cable RGUs do not include subscribers in third party network areas.

(5) Operating data related to ARPU is presented in euro per month (excluding VAT) for the periods indicated.

(6) ARPU per month for our digital pay television services is calculated by dividing the digital pay television services revenue for the period by the average monthly digital television RGUs during the period and dividing by 3 (the number of months used). As described in note 3, digital television RGUs represent the number of subscribers who have activated smart cards and, as a result, can access our digital pay television services, and does not represent the number of subscribers that have purchased digital pay television services.

(7) ARPU from telephony subscription is calculated by dividing total telephony subscription revenues for the period by the average monthly non-bundle telephony RGUs and dividing by 3 (the number of months used).

(8) ARPU from telephony usage is calculated by dividing total telephony usage revenues for the period by the average monthly total telephony RGUs and dividing by 3 (the number of months used).

(9) Blended ARPU is calculated as the sum of total standard cable, digital pay television, broadband Internet, telephony and All-in-1 subscription revenue for the period divided by 3 (the number of months used) and divided by the period's average monthly total standard cable RGUs.

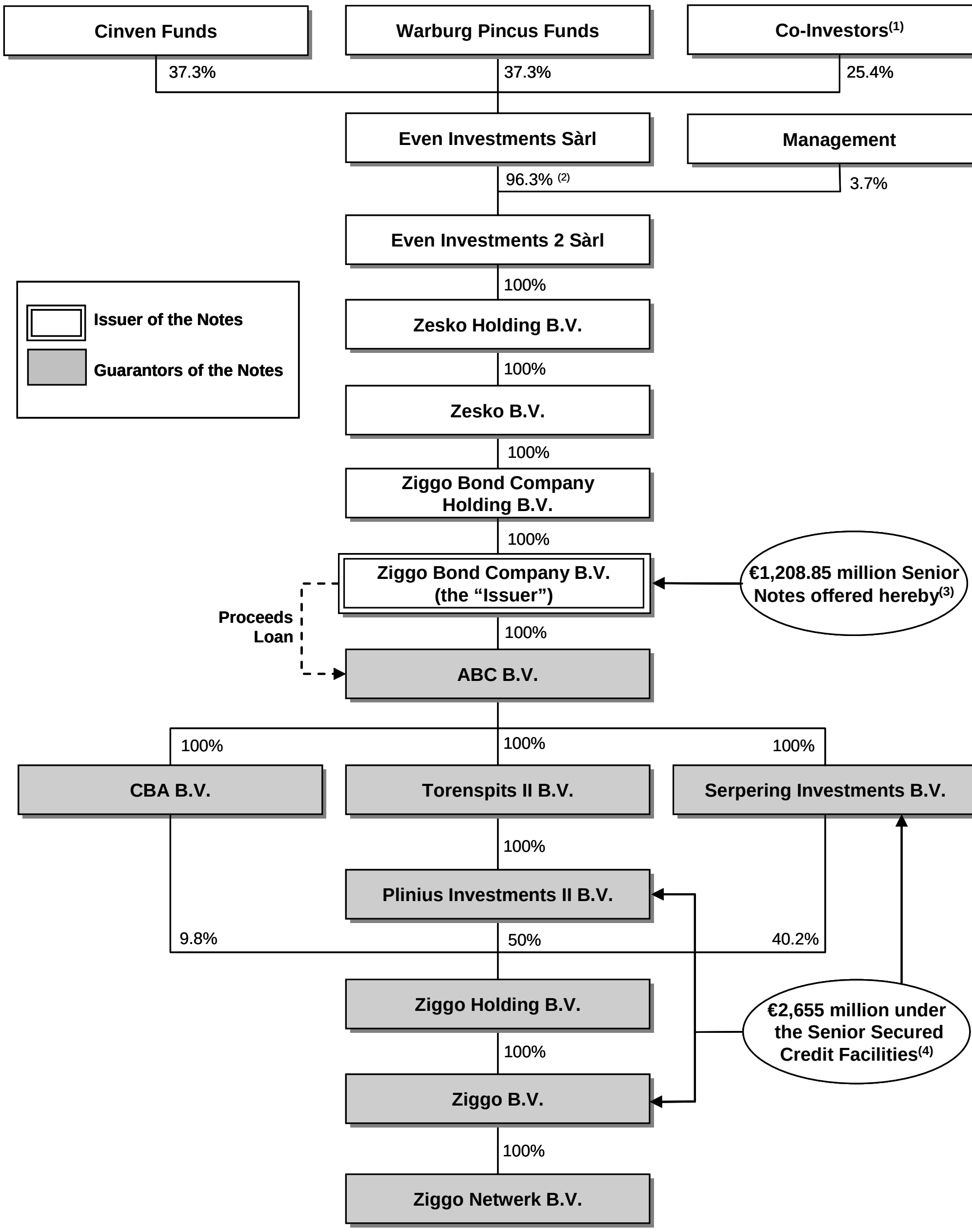
The foregoing is based on internal management accounts as of and for the three months ended March 31, 2010. We caution that we have not completed our normal review process, and that our financial statements as of and for the three months ending March 31, 2010 could differ from the foregoing.

On April 26, 2010, Zesko B.V., one of our holding companies, announced that it and UPC, through a joint venture, participated in an auction by the Dutch government of 2.6GHz frequency spectrum. Zesko B.V. and UPC jointly acquired a mobile license of 2 × 20 MHz in the 2.6GHz spectrum band with a term of 20 years in the auction for a fee of approximately €1 million. Under the terms of the license, the joint venture will be required to offer a public commercial communications service over a total area of 80 square kilometers after two years and over a total area of 800 square kilometers after five years. This license, which can be used to offer WiMax and fourth generation LTE based mobile broadband access and services, will give us the flexibility to exploit future opportunities in the market for mobile broadband access and services as they arise.

We believe that our state-of-the art cable network, high quality existing bundled products, established customer service and billing operations, together with our large existing customer base, provide a strong platform versus our competitors to benefit from further convergence in the Dutch telecommunications market if we choose to add mobile broadband access and services to our existing services. Any decision by us to enter the mobile broadband market in the future would be made in the context of our prudent financial management and the limitations set forth in the Indenture and the Senior Credit Agreement.

Summary Corporate and Financing Structure

The following diagram summarizes our corporate structure and principal outstanding financing arrangements after giving effect to the Offering and the repayment of the amount outstanding under the Mezzanine Credit Facilities, as described in "Use of Proceeds". For a summary of the debt obligations referenced in this diagram, see "Description of the Notes" and "Description of Other Indebtedness".



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(1) Co-investors includes limited partners in various funds controlled by Cinven and Warburg Pincus.

(2) Approximately 3.5% of the share capital of Even Investments 2 Sàrl is held by other entities and is available for future issuance to management. Pending transfer to management, these shares are controlled by the Cinven Funds and Warburg Pincus Funds.

(3) The Notes will be secured on a first-ranking basis by pledges over all of the shares of ABC B.V. and over the Issuer's rights under a loan to ABC B.V. representing the proceeds of the Offering. The Notes will be guaranteed on a senior subordinated basis by ABC B.V., CBA B.V., Torenspits II B.V., Serpering Investments B.V., Plinius Investments II B.V., Ziggo Holding B.V., Ziggo B.V. and Ziggo Netwerk B.V. As of December 31, 2009, on a pro forma basis, after giving effect to the Offering and the application for net proceeds of the Offering as described under "Use of Proceeds", all of the Guarantors on a combined basis would have had outstanding €2,655 million of senior debt that would rank senior in right of payment to their guarantees of the Notes. During the year ended December 31, 2009, the Guarantors generated 100% of our consolidated revenues and EBITDA and as of December 31, 2009 held 100% of our consolidated total assets.

(4) The Senior Secured Credit Facilities are guaranteed on a senior basis by each of the Guarantors.

THE OFFERING

The following summary of the Offering contains basic information about the Notes. It is not intended to be complete and it is subject to important limitations and exceptions. For a more complete description of the terms of the Notes, including certain definitions of terms used in this summary, see "Description of the Notes".

Issuer	Ziggo Bond Company B.V.
Notes Offered	€1,208.85 million aggregate principal amount of 8% Senior Notes due 2018.
Maturity Date	May 15, 2018.
Interest Payment Dates	Semi annually in arrears on each May 15 and November 15, commencing November 15, 2010. Interest will accrue from the issue date of the Notes.
Ranking of the Notes	The Notes will: • be general obligations of the Issuer; • be *pari passu* in right of payment to any future Indebtedness of the Issuer that is not subordinated in right of payment to the Notes; • be senior to any future indebtedness of the Issuer that is subordinated in right of payment to the Notes; • be unconditionally guaranteed on a senior subordinated basis by the Guarantors; • be secured by a first-priority pledge over the shares of ABC B.V. and a first-priority assignment of the Proceeds Loan; and • be effectively subordinated to all obligations of any of the Issuer's subsidiaries that are not Guarantors in the future.
Guarantees	The Issuer's obligations under the Notes and the Indenture will be guaranteed on a senior subordinated basis by ABC B.V., CBA B.V., Torenspits II B.V., Serpering Investments B.V., Plinius Investments II B.V., Ziggo Holding B.V., Ziggo B.V. and Ziggo Netwerk B.V.
Ranking of the Guarantees	The Guarantee of each Guarantor will: • be a general unsecured obligation of that Guarantor; • be subordinated in right of payment with all existing and future senior debt of that Guarantor; and • be *pari passu* in right of payment to any future subordinated indebtedness of that Guarantor.
Security	The Notes will be secured by a first-ranking pledge of all of the issued capital stock of ABC B.V. (the "Share Pledge") and a first-ranking assignment by way of security of the Issuer's interest in the subordinated funding loan of the proceeds of the Notes made by the Issuer to ABC B.V. (the "Proceeds Loan"). See "Description of the Notes—Security".
Optional Redemption	The Issuer may redeem all or part of the Notes on or after May 15, 2014 at the redemption prices as described under "Description of the Notes—Optional Redemption". Prior to May 15, 2014, the Issuer may redeem all or part of the Notes by paying a "make whole" premium as described under "Description of the Notes—Optional Redemption". Prior to May 15, 2013, the Issuer may on one or more occasions use the net proceeds of specified equity offerings to redeem up to 35% of the aggregate principal amount of the Notes at a redemption price equal to 108.000% of the principal amount of the Notes redeemed, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption, provided that at least 65% of the aggregate principal amount of the Notes remains outstanding after the redemption.
Change of Control	If the Issuer experiences a change of control, it will be required to offer to repurchase the Notes at 101% of their aggregate principal amount plus accrued interest to the date of such repurchase. See "Description of the Notes—Change of Control".
Redemption for Taxation Reasons	If certain changes in the law of any relevant taxing jurisdiction become effective after the issuance of the Notes that would impose withholding taxes or other deductions on the payments on the Notes, we may redeem the Notes in whole, but not in part, at any time, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, and additional amounts, if any, to the date of redemption. See "Description of the Notes—Redemption for Changes in Taxes".

Additional Amounts	Any payments made with respect to the Notes will be made without withholding or deduction for taxes in any relevant taxing jurisdiction unless required by law. If withholding or deduction for such taxes is required to be made with respect to a payment under the Notes, subject to certain exceptions, we will pay the additional amounts necessary so that the net amount received by the holders of Notes after the withholding is not less than the amount that they would have received in the absence of the withholding. See "Description of the Notes—Additional Amounts".
Certain Covenants	The Indenture will limit, among other things, the ability of the Issuer and its restricted subsidiaries to: • incur or guarantee additional indebtedness and issue certain preferred stock; • pay dividends, redeem capital stock and make certain investments; • make certain other restricted payments; • create or permit to exist certain liens; • impose restrictions on the ability of our subsidiaries to pay dividends or make other payments to us; • merge or consolidate with other entities; • enter into certain transactions with affiliates; and • impair the security interests for the benefit of the holders of the Notes.
Transfer Restrictions	The Notes have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any other jurisdiction. The Notes are subject to restrictions on transfer and may only be offered or sold in transactions that are exempt from or not subject to the registration requirements of the U.S. Securities Act. See "Notice to Investors" and "Plan of Distribution".
Use of Proceeds	We intend to use substantially all of the net proceeds of the Offering to repay in full amounts outstanding under the Mezzanine Credit Facilities, including amounts owed by our subsidiaries. See "Use of Proceeds".
No Established Market for the Notes	The Notes will be new securities for which there is currently no market. Although the initial purchasers have informed us that they intend to make a market in the Notes, they are not obligated to do so and they may discontinue market-making at any time without notice. Accordingly, we cannot assure you that a liquid market for the Notes will develop or be maintained.
Listing and Trading	Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to trade the Notes on the Luxembourg Stock Exchange's Euro MTF Market.
Trustee and Security Trustee	Deutsche Trustee Company Limited.
Principal Paying Agent	Deutsche Bank AG, London Branch.
Registrar, Luxembourg Transfer Agent and Paying Agent	Deutsche Bank Luxembourg S.A.
Luxembourg Listing Agent	Deutsche Bank Luxembourg S.A.
Governing Law	The Indenture will be governed by the laws of the State of New York. The Share Pledge will be governed by the laws of the Netherlands. The assignment of the Issuer's rights under the Proceeds Loan will be governed by English law.
Risk Factors	Investing in the Notes involves substantial risks. You should consider carefully all the information in this offering memorandum and, in particular, you should evaluate the specific risk factors set forth in the "Risk Factors" section in this offering memorandum before making a decision whether to invest in the Notes.

Summary Historical Consolidated Financial and Other Data

The Issuer was incorporated on March 30, 2010 for the purpose of the Offering. Consequently, limited historical financial information relating to the Issuer is available, and the financial information included in this offering memorandum with respect to the Issuer consists only of the audited statement of financial position of the Issuer as of March 31, 2010, which has been prepared in accordance with IFRS. The Issuer acquired all of the issued and outstanding shares of ABC B.V. on March 30, 2010.

Because of the limited historical financial information available for the Issuer, we have included and primarily discussed in this offering memorandum the audited consolidated historical financial statements of ABC B.V. as of and for the years ended December 31, 2007, 2008, 2009. Accordingly, all references to "we", "us" or "our" in respect of historical financial information in this offering memorandum are to ABC B.V. and its subsidiaries on a consolidated basis. The audited consolidated financial statements of ABC B.V. included herein and the accompanying notes thereto have been prepared in accordance with IFRS.

The following table sets forth our summary consolidated financial information as of December 31, 2008 and 2009 and for each of the years ended December 31, 2007, 2008 and 2009. Our summary consolidated financial information as of December 31, 2008 and 2009 and for each of the years ended December 31, 2007, 2008 and 2009 has been derived from the audited consolidated financial statements included elsewhere in this offering memorandum. Our audited consolidated financial statements included elsewhere in this offering memorandum include the results of operations of the @Home Business only from February 1, 2007, the date of its acquisition. Accordingly, only the results of operations of the @Home Business for the eleven months ended December 31, 2007 are reflected in our audited consolidated financial statements for the year ended December 31, 2007. Our audited financial statements included elsewhere in this offering memorandum were prepared in accordance with IFRS and were audited by Ernst & Young Accountants LLP, independent auditors, as set forth in their auditor's report included elsewhere in this offering memorandum.

The following information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements included in this offering memorandum. Our historical results do not necessarily indicate results that may be expected for any future period.

	Year ended December 31,		
	2007	2008	2009
	(€ in thousands)		
Income Statement Data:			
Revenue by segment[1]			
Standard cable subscription revenue	473,586	482,575	431,862
Digital pay television services revenue	44,715	72,255	92,965
Total video revenues	518,301	554,829	524,826
Broadband Internet subscription revenue	313,409	316,702	231,925
Telephony subscription revenue	n.a.	44,816	33,086
Telephony usage revenue	n.a.	129,446	135,449
Total telephony revenue	140,590	174,262	168,535
Bundles subscription revenue[2]	—	70,140	228,245
Business services revenues	80,634	84,942	83,402
Revenue from other sources	40,972	37,738	47,462
Revenue by segment with bundle allocation[1]			
Standard cable subscription revenue	473,586	504,402	508,800
Digital pay television services revenue	44,715	72,255	92,965
Total video revenues	518,301	576,657	601,765
Broadband Internet subscription revenue	313,409	352,660	366,892
Telephony subscription revenue	n.a.	57,171	49,426
Telephony usage revenue	n.a.	129,446	135,449
Total telephony revenue	140,590	186,617	184,875
Business services revenues	80,634	84,942	83,402
Revenue from other sources	40,972	37,738	47,462
Total revenues	1,093,906	1,238,613	1,284,395
Cost of goods sold	(161,636)	(236,112)	(255,481)
Personnel	(162,849)	(156,447)	(175,868)
Contracted work	(56,907)	(57,933)	(80,980)
Other expenses	(167,852)	(161,666)	(123,393)
Depreciation and amortization	(494,597)	(464,549)	(477,240)
Operating income	50,065	161,906	171,433
Net financial income (expense)	(272,688)	(462,357)	(313,045)
Share of the profit (loss) of associates	(8)	—	—
Loss before income taxes	(222,631)	(300,451)	(141,612)
Income tax benefit (expense)	60,694	76,615	36,111
Net income (loss)	(161,937)	(223,836)	(105,501)

	As of December 31,		
	2007	2008	2009
	(€ in thousands)		
Balance Sheet Data:			
Assets			
Inventories	12,956	13,978	25,542
Trade accounts receivable	33,451	48,719	43,592
Other current assets	10,847	30,102	27,184
Cash and cash equivalents	121,748	42,541	65,271
Total current assets	179,002	135,340	161,589
Property and equipment	1,649,227	1,646,419	1,549,664
Intangible assets	3,897,233	3,718,436	3,593,060
Financial assets	50,976	899	368
Deferred income tax asset	107,194	129,313	138,513
Total non-current assets	5,704,630	5,495,067	5,281,605
Total assets	5,883,632	5,630,407	5,443,194
Shareholder's equity and liabilities			
Trade accounts payable	115,233	60,242	102,951
Deferred revenue	43,789	97,407	106,247
Current liabilities related parties	—	877	948
Other current liabilities	120,523	133,574	129,602
Total current liabilities	311,970	292,100	339,748
Loans from financial institutions	3,832,504	3,801,283	3,712,042
Derivative financial instruments	—	73,935	102,261
Provisions	3,078	5,093	—
Deferred income tax liability	537,979	483,731	447,528
Total non-current liabilities	4,373,561	4,364,042	4,261,831
Equity attributable to equity holders	1,198,101	974,265	841,615
Total equity and liabilities	5,883,632	5,630,407	5,443,194

	Year ended December 31,		
	2007	2008	2009
	(€ in thousands, except as otherwise indicated)		
Cash Flow Statement Data:			
Net cash flow from operating activities	581,442	603,836	687,709
Net cash flow from (used in) investing activities	(1,771,335)	(278,093)	(253,576)
Net cash flow from (used in) financing activities	1,247,994	(401,701)	(411,403)
Net increase (decrease) in cash and cash equivalents	58,101	(75,958)	22,730

	Year ended December 31,		
	2007	2008	2009
	(€ in thousands, except ratios)		
Other Financial Data:			
EBITDA[(3)]	544,663	626,455	648,673
Integration operating expenses[(4)]	25,631	50,596	47,143
Adjusted EBITDA[(5)]	570,293	677,050	695,815
Total capital expenditure[(5)]	222,878	271,601	251,729
Capital expenditure excluding integration capital expenditure[(6)]	187,986	205,550	209,467
Ratio of net debt to Adjusted EBITDA[(7)]	6.80x	5.73x	5.39x
Ratio of net debt to Adjusted EBITDA less capital expenditures excluding integration capital expenditures	10.15x	8.23x	7.71x
Ratio of Adjusted EBITDA to net cash interest expense	1.98x	2.52x	2.78x
Ratio of Adjusted EBITDA less capital expenditures excluding integration capital expenditures to net cash interest expense	1.33x	1.75x	1.95x
Pro forma net debt[(8)]	–	–	3,820,446
Ratio of pro forma net debt to Adjusted EBITDA	–	–	5.49x
Ratio of pro forma net debt to Adjusted EBITDA less capital expenditures excluding integration capital expenditures	–	–	7.86x

	As of and for the year ended December 31,		
	2007	2008	2009

		(in thousands)	
Operating Data:			
Footprint[9]			
Homes passed[10]	3,960	4,038	4,075
RGUs[9]			
Standard cable			
Non-bundle	3,277	2,992	2,490
All-in-1 bundle[2]	–	263	675
Total standard cable	3,277	3,255	3,165
Digital television[11]	812	1,124	1,552
Broadband Internet			
Non-bundle	1,353	1,112	774
All-in-1 bundle[2]	–	263	675
Total broadband Internet	1,353	1,375	1,449
Telephony			
Non-bundle	703	546	324
All-in-1 bundle[2]	–	263	675
Total telephony	703	809	999
Total RGUs	6,145	6,563	7,165
Total All-in-1 bundle subscribers[2]	–	263	675

	As of and for the year ended December 31,		
	2007	2008	2009
	(in €, except percentages)		
Penetration[9]			
Standard cable subscribers as % of homes passed[12]	85.3%	83.0%	80.2%
Digital TV as % of standard cable subscribers	24.8%	34.5%	49.0%
All-in-1 bundle subscribers as % of standard cable subscribers[2]	–	8.1%	21.3%
ARPU per month[13]			
Standard cable	12.63	12.94	13.15
Digital pay television[14]	5.97	6.09	5.75
Broadband Internet	21.13	21.35	20.80
Telephony subscription[15]	n.a.	6.02	6.42
Telephony usage[16]	n.a.	14.13	12.50
Total telephony[17]	20.39	n.a.	n.a.
All-in-1 bundle[2]	–	40.78	40.12
Blended ARPU[18]	25.40	28.60	29.93

(1) Revenue for each of our segments is derived from our internal accounts and is not presented in the audited financial statements included elsewhere in this offering memorandum.

Revenue by segment with bundle allocation presents revenues from each of our segments after allocating revenue from our All-in-1 subscriptions to our business segments. Revenues from subscriptions to our All-in-1 bundle are allocated in fixed amounts to our standard cable and broadband Internet segments based on the prices we charge for those products if purchased individually and not as part of the bundle, with the remainder allocated to our telephony segment.

(2) We first introduced our All-in-1 bundle in May 2008.

(3) EBITDA represents operating profit plus depreciation and amortization. Although EBITDA should not be considered a substitute measure for trading profit and net cash flow from operating activities, we believe that it provides useful information regarding our ability to meet future debt service requirements. The EBITDA measure presented may not be comparable to similarly titled measures used by other companies.

The reconciliation of our operating profit to EBITDA is as follows:

	Year ended December 31,		
	2007	2008	2009
	(€ in thousands)		
Operating profit	50,065	161,906	171,433
Depreciation and amortization	494,597	464,549	477,240
EBITDA	544,663	626,455	648,673

(4) Integration operating expenses are operating expenses incurred in connection with the integration of our predecessor businesses.

(5) Adjusted EBITDA refers to EBITDA, as adjusted to remove the effects of integration operating expenses, which were €25.6 million, €50.6 million and €47.1 million in the years ended December 31, 2007, 2008 and 2009, respectively.

(6) Total capital expenditure represents payments to acquire property, plant and equipment and includes capital expenditure incurred in connection with the integration of our predecessor businesses. Capital expenditure excluding integration capital expenditure does not include capital expenditure related to the integration of our predecessor businesses.

(7) Net debt represents gross borrowings less cash and cash equivalents.

(8) Pro forma net debt is calculated as follows:

	As of December 31, 2009
	(€ in thousands)
Actual net debt	3,749,339
less debt refinanced at completion of the Refinancing	1,159,360
plus the Notes	1,208,850
plus net cash outflow on the Issue Date	21,617
Pro forma net debt	3,820,446

(9) Operating data related to our footprint, RGUs and penetration is presented as of the end of the period indicated.

(10) We provide our services to customers directly over our network and over certain cable networks owned by third parties with whom we have entered into exclusive or non-exclusive agreements to provide our services over their networks. The table presents total homes passed and includes 120,000, 118,000 and 130,000 homes passed by third party cable networks as of December 31, 2007, 2008 and 2009, respectively.

(11) Digital television RGUs equals the total number of standard cable subscribers who have activated smart cards as of the periods indicated. As a result, total digital television RGUs represents the number of subscribers who have access to our digital pay television services. In any given period, not all of these digital television RGUs will have purchased our digital pay television services. As of December 31, 2009, approximately 0.8 million of our total digital television RGUs subscribed to one or more of our digital pay television services.

(12) Standard cable subscribers as a percentage of homes passed is calculated by excluding homes passed by third party networks. Although we provide certain of our services over third party networks, we generally do not offer standard cable services over third party networks and our standard cable RGUs do not include subscribers in third party network areas.

(13) Operating data related to ARPU is presented in euro per month (excluding VAT) for the periods indicated.

(14) ARPU per month for our digital pay television services is calculated by dividing the digital pay television services revenue for the year by the average monthly digital television RGUs during the year and dividing by 12 (the number of months used). As described in note 11, digital television RGUs represent the number of subscribers who have activated smart cards and, as a result, can access our digital pay television services, and does not represent the number of subscribers that have purchased digital pay television services.

(15) ARPU from telephony subscription is calculated by dividing total telephony subscription revenues for the year by the average monthly non-bundle telephony RGUs and dividing by 12 (the number of months used). Data related to ARPU from telephony subscription is not available prior to 2008.

(16) ARPU from telephony usage is calculated by dividing total telephony usage revenues for the year by the average monthly total telephony RGUs and dividing by 12 (the number of months used). Data related to ARPU from telephony usage is not available for period prior to 2008.

(17) We began to report telephony subscription ARPU and telephony usage ARPU separately in 2008 when we introduced our All-in-1 bundle. Total telephony ARPU in 2007 is calculated by adding telephony subscription revenues and telephony usage revenues for the period and dividing by the average monthly telephony RGUs during 2007 and dividing by 12 (the number of months used).

(18) Blended ARPU is calculated as the sum of total standard cable, digital pay television, broadband Internet, telephony and All-in-1 subscription revenue for the period divided by 12 (the number of months used) and divided by the period's average monthly total standard cable RGUs.

RISK FACTORS

An investment in the Notes involves risks. Before purchasing the Notes, you should consider carefully the specific risk factors set forth below, as well as the other information contained in this offering memorandum. Any of the risks described below could have a material adverse impact on our business, prospects, results of operations and financial condition and could therefore have a negative effect on the trading price of the Notes and our ability to pay all or part of the interest or principal on the Notes. Additional risks not currently known to us or that we now deem immaterial may also harm us and affect your investment.

This offering memorandum also contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this offering memorandum.

Risks Relating to Our Business and Industry

We operate in a competitive industry, and competitive pressures could have a material adverse effect on our business.

We face significant competition from established and new competitors. The nature and level of the competition we face vary for each of the products and services we offer. Our competitors include, but are not limited to providers of video, broadband Internet and telephony services using DSL, PSTN or fiber connections, including KPN and Tele2, providers of video services using alternative technologies such as Internet Protocol television, or IPTV, as well as satellite providers, including Canal Digitaal, digital terrestrial television, or DTT, providers, mobile phone network operators and providers of emerging digital entertainment technologies.

Internet protocol television, digital terrestrial television and emerging technologies. We face increasing competition from alternative methods of distributing video television services other than traditional cable networks. For example, several of our competitors, including KPN and Tele2, currently provide IPTV service to customers in our network area utilizing DSL and very high speed digital subscriber line, or VDSL, broadband Internet connections. Demand for IPTV may increase in the future as it becomes more widely available, the price of the receiving equipment decreases and the receiving equipment is built into television sets. KPN more than doubled its number of IPTV subscribers during the year ended December 31, 2009 and has approximately 90,000 IPTV subscribers as of December 31, 2009. KPN is taking steps to upgrade its network bandwidth capacity using VDSL technology, and continues to introduce fiber-to-the-home and fiber-to-the-curb technologies in certain cities through its joint venture with Reggefiber, a fiber network builder. Further upgrades in the reliability and speed of broadband Internet connections may allow KPN and other IPTV providers to improve the quality of their video television service. Other emerging technologies include broadcasts that are delivered “over the top” of an existing broadband network, which allows content providers to directly reach consumers through mediums such as the broadcaster’s website or online aggregators of content. The full extent to which these alternative technologies will compete effectively with our cable television system may not be known for several years.

Our cable television services also compete with providers of DTT, which is provided by KPN in the Netherlands under the “Digitenne” name and resold by other providers, including Tele2. As of December 31, 2009, Digitenne provided DTT services to approximately 885,000 customers. We estimate that approximately 18.8% of all digital television consumers in the Netherlands obtain their service through digital terrestrial networks. Providers of DTT may in the future be able to offer a wider range of channels to a larger audience for a lower price than we charge for our cable television services.

Cable Television. There is no significant competition between the major cable network operators in the Netherlands because of the minimal overlap between operators’ cable networks. In order to promote competition within this market, OPTA has implemented new regulations designed to open the market to new third party providers. See “Business—Regulation—The Netherlands”. In particular, the new regulations will require us and UPC to open our network to third parties to allow them to provide cable television service to customers using our network. OPTA’s decision fixed the monthly tariff that we can charge such third party providers at €8.45 (excluding VAT), though third party providers will need to incur additional expenses, such as marketing expenses, if they wish to provide their services effectively through our network. We have appealed OPTA’s decision as we believe the measures required by OPTA are disproportionate and not necessary for competition; however, we will be required to implement the new regulations while our appeal is pending, and we expect to face new competition in the provision of analog and digital cable television services in our network area. In addition, the new regulations may allow our competitors who offer packages of video, broadband Internet and voice services to upgrade the quality of their video product by offering video service using our cable network rather than via alternative technologies of lesser quality, which may allow our competitors to capture some of our market share.

Satellite. Any increase in market share of satellite distribution, which is offered in the Netherlands by Canal Digitaal, may have a negative impact on the success of our analog and digital cable television services. We also face competition from satellite distribution of free-to-air television programming. To receive free-to-air programming, viewers need only to purchase a satellite dish and a set-top box. Free-to-air satellite providers currently do not have any relationship with the end-user and, consequently, do not receive any subscription or other fees from them. Providers of satellite television service may be able to offer a wider range of channels to a larger audience for a lower price than we charge for our cable television services.

Broadband Internet. We currently primarily compete against DSL providers in the market for broadband Internet access. KPN is the major DSL provider in the Netherlands, followed by Tele2 and Online, who sell DSL service over KPN's network. KPN and others have improved the speed of their broadband Internet access services in portions of the KPN network that have been upgraded to VDSL technology. In the future we may increasingly compete against Internet access providers that have installed fiber-to-the-home connections, which offer broadband Internet speeds that exceed those that are currently possible over our network. Several municipalities and provinces in the Netherlands have offered and continue to offer financial support to network operators that build fiber-to-the-home connections and some municipalities and provinces have entered into public-private partnerships such as Amsterdam Citynet to stimulate investment. Continued upgrades to the quality of DSL-based broadband Internet service and continued fiber-to-the-home installations, while time-consuming and expensive, would have a negative impact on our competitive position in the broadband Internet market.

We also compete with service providers that use other alternative technologies for broadband Internet access, such as satellite technologies or mobile standards such as worldwide interoperability for microwave access, or WiMax, universal mobile telecommunications system, or UMTS, and 3GPP Long Term Evolution, or LTE. These mobile broadband Internet access technologies may allow both incumbent and new broadband access providers the ability to provide high bandwidth connection services for voice and data.

Furthermore, additional access technologies may be launched in the future that will further increase competition or force us to increase capital expenditure for additional upgrades. Providers of mobile broadband Internet access may be able to offer fast Internet access speeds at a competitive cost, with the added attractiveness of allowing customers to access the Internet wherever they travel. In addition, our broadband Internet products compete with low-speed and low-cost (or potentially even free) Internet services over traditional telecommunications lines.

Telephony. The market for residential telephony in the Netherlands is highly competitive. The fixed-line telephony market is increasingly under pressure from resellers, alternative carriers, declining mobile phone charges and interconnection fees and alternative access technologies like Voice over Internet Protocol, or VoIP, and Internet telephony offered over broadband Internet connections. The Dutch market for residential telephony services is relatively price sensitive and already on a low price level by international standards. Although our market share in this segment is increasing, we may not have the resources of, or benefit from the economies of scale available to, KPN. We also expect increasing competition, including price competition, from traditional and non-traditional telephony providers in the future.

Bundled offerings. Customers of video and telecommunications services are increasingly expecting service providers to offer high quality bundles of television, broadband Internet and telephony services. Many of our competitors, including KPN, Tele2, T-Mobile and Vodafone, offer bundled packages of services. Several of these bundles include mobile phone service, which we do not offer. Moreover, the regulatory requirements proposed by OPTA may allow additional competitors to include cable television service within their bundled products. Our competitors are continuing to improve, often by partnership with other providers, their ability to offer compelling bundles of services. If our bundled products are not able to compete effectively in the marketplace, we may be required to lower our prices or increase investment in our services to improve quality.

Competition can make it difficult to attract new customers and retain existing customers, thereby increasing churn levels, and may lead to increased price pressure. There can be no assurance that we will be able to compete successfully against our current or future competitors in any of our businesses. Our failure to do so could have a material adverse effect on our business, financial condition and results of operations.

Our growth prospects depend on a continued demand for cable and telecommunications products and services and an increased demand for bundled offerings, as well as economic developments in the Netherlands.

The use of Internet and telecommunications services in the Netherlands has increased sharply in recent years. We have benefited from this growth in recent years and our growth and profitability depend, in part, on a continued demand for these services in the Netherlands in the coming years. In particular, if demand for triple-play products does not increase as expected, this could have a material adverse effect on our business, financial condition and results of operations.

Moreover, we operate exclusively in the Dutch market and our success is therefore closely tied to general economic developments in the Netherlands and cannot be offset by developments in other markets. Negative developments in, or the general weakness of, the Dutch economy, in particular increasing levels of unemployment, may have a direct negative impact on the spending patterns of retail consumers, both in terms of the products they subscribe for and usage levels. Because a substantial portion of our revenue is derived from residential subscribers who may be impacted by these conditions, it may be (i) more difficult to attract new subscribers, (ii) more likely that certain of our subscribers will downgrade or disconnect their services and (iii) more difficult to maintain ARPUs at existing levels. In addition, we can provide no assurances that a further deterioration of the economy will not lead to a higher number of non-paying customers or generally result in service disconnections. Therefore, a weak economy and negative economic development may jeopardize our growth targets and may have a material adverse effect on our business, financial condition and results of operations.

We made substantial losses during the last three years. Based on our current operating performance and liquidity position, we believe that cash provided by operating activities and available cash balances will be sufficient for working capital, capital expenditures, interest payments, dividends and scheduled debt repayment requirements for the next 12 months and the foreseeable future.

We may not be able to successfully introduce new or modified services or respond to technological developments.

The cable television and broadband Internet industries face challenges that include the following:

- rapid and significant technological change;
- changes in usage patterns and customer needs and priorities;
- frequent introduction of new products and services or upgrading of existing products and services in connection with new technologies; and
- introduction of new industry standards and practices that render current company technologies and systems obsolete.

It is difficult to predict the effect of technological innovations on our business. We may be unable to successfully integrate new technologies or adapt to new or existing technologies to meet customer needs within an appropriate timeframe. Any such inability could have a material adverse effect on our business, financial condition and results of operations.

Customer churn, or the threat of customer churn, may adversely affect our business.

Customer churn is a measure of the number of customers who stop subscribing for one or more of our products or services. Churn arises mainly as a result of competitive influences, relocation of subscribers and price increases. In addition, our customer churn rate may also increase if we are unable to deliver satisfactory services over our network. For example, any interruption of our services or the removal or unavailability of programming, which may not be under our control, could contribute to increased customer churn. During 2008 we introduced our single brand, changed our billing process, rolled out our All-in-1 bundle across our network and migrated all of our customer data to one unified database. These changes initially placed significant pressure on our customer service functions. Although our customer care call volume has decreased and we believe that we have improved our customer service functions since the initial stages of the combination of our predecessor businesses, we may in the future experience customer service problems, which could contribute to increased customer churn. In addition, certain of our customers in our business services division may represent a material portion of our business services division's revenues which accounted for approximately 6.5% of our total revenues in 2009.

We do not have guaranteed access to television programs and are dependent on our relationships and cooperation with program providers and broadcasters.

The success of our business depends on, among other things, the quality and variety of the television programming delivered to our subscribers. We do not produce our own content and are dependent upon broadcasters for programming. For the provision of programs distributed via our cable television network, we have entered into agreements with public and commercial broadcasters for the analog and digital carriage of their signals. As we depend upon such broadcasters for the provision of programs to attract subscribers, program providers may have considerable power to renegotiate the fees we charge for the carriage of their products and the license fees we pay them. Since most of these distribution contracts need to be renewed on a yearly basis, we may be unable to renegotiate them on terms that are as attractive as those of the current contracts, which could result in an increase in our programming costs. In addition, program providers and broadcasters may elect to distribute their programming through other distribution platforms, such as satellite, digital terrestrial broadcasting or Internet-based platforms, or may enter into exclusive arrangements with other distributors.

We also license programming for our digital pay television services. We intend to negotiate additional access to programming to expand our digital pay television product range. Rights with respect to premium and/or high definition content may in the future be obtained by our competitors on an exclusive basis and, as a result, may not be available to us. As we continue to develop our on-demand and other interactive services, our ability to source content will be increasingly important and will depend on our ability to maintain relationships and cooperation with program providers and broadcasters for both standard and high definition content.

Our inability to obtain or retain attractively priced competitive programs on our network could reduce demand for our existing and future television services, thereby limiting our ability to maintain or increase revenues from these services. The loss of programs could have a material adverse effect on our business, financial condition and results of operations.

We are subject to increasing operating costs and inflation risks which may adversely affect our earnings.

While we attempt to increase our subscription fees to offset increases in operating costs, there is no assurance that we will be able to do so. Therefore, operating costs may rise faster than associated revenue, resulting in a material negative impact on our cash flow and net earnings. If inflation were to increase, we could be negatively impacted by inflationary increases in salaries, wages, benefits and other administrative costs if we were not able to increase our subscription fees.

We depend on hardware, software and service suppliers, which may discontinue their products or services, seek to charge us prices that are not competitive or choose not to renew contracts with us.

We have important relationships with several suppliers of hardware, software and services that we use to operate our cable network. In many cases, we have made substantial investments in the equipment or software of a particular supplier, making it difficult for us to quickly change supply and maintenance relationships in the event that our initial supplier refuses to offer us favorable prices or ceases to produce equipment or provide the support that we require. In the event that hardware or software products or related services are defective, it may be difficult or impossible to enforce recourse claims against suppliers, especially if warranties included in contracts with suppliers are exceeded by those in our contracts with customers, in individual cases, or if the suppliers are insolvent, in whole or in part. In addition, there can be no assurances that we will be able to obtain, in a timely manner, at competitive terms and in adequate amounts, the hardware, software and services we need for the operation of our business. The occurrence of any of these risks may create technical problems, damage our reputation, result in the loss of customers and have a material adverse effect on our business, financial condition and results of operations.

The occurrence of events beyond our control could result in damage to our network.

If any part of our cable network is subject to a flood, fire or other natural disaster, terrorism, a power loss or other catastrophe, our operations and customer relations could be materially adversely affected. Disaster recovery, security and service continuity protection measures that we currently have or may in the future undertake, and our monitoring of network performance, may be insufficient to prevent losses. While we have insurance coverage for fixed assets such as technical and office equipment in our network, operating center, network hubs, network headends and office locations, this insurance covers property damage within specified insured locations. We do not have insurance for all risks of property damage to our network because we believe that our network includes redundant capacity that in most cases can be utilized to maintain service in the case of damage to a portion of our network. However, any catastrophe or other damage that affects our network could result in substantial uninsured losses and, in some cases, an interruption of our service.

In addition, our business is dependent on sophisticated critical systems, such as our network operation center, customer service systems and billing systems. Despite the presence of back-up systems, we can provide no assurances that our network and technical systems will not be damaged by physical or electronic break-downs, computer viruses or similar disruptions. In addition, unforeseen problems may create disruptions in our information technology systems. There can be no assurances that our existing security system, security policy, back-up systems, physical access security and access protection, user administration and emergency plans will be sufficient to prevent data loss or minimize network downtime. Sustained or repeated disruptions or damage to the network and technical systems that prevent, interrupt, delay or make it more difficult for us to provide products and services to our customers in accordance with the agreements we have with our customers may trigger claims for payment of damages or contractual remedies and would cause considerable damage to our reputation, lead to the loss of customers, a decrease in revenue and require repairs, all of which would have a material adverse effect on our business, financial condition and results of operations.

Strikes, work stoppages and other industrial actions, as well as the negotiation of a new collective bargaining agreement, could disrupt our operations or make it more costly to operate our facilities.

We are exposed to the risk of strikes, work stoppages and other industrial actions. We estimate that a small percentage of our employees are members of labor unions. Nevertheless, in the future we may experience lengthy consultations with labor unions and works councils or strikes, work stoppages or other industrial actions. On September 18, 2009, we entered into a collective labor agreement with our employees' labor unions, which applies to approximately 95% of our employees and provides for, among other things, annual salary increases. The collective labor agreement expired on April 1, 2010, and we have recently reached an agreement in principle on a new collective labor agreement with the labor unions, who have requested that their members vote in favor of the agreement. Although we believe that this new agreement will be formalized in the near future, we cannot assure you of such a result. Although we believe that we have good relations with our employees and although we have not experienced strikes in the past, strikes called by employees of any of our key suppliers of materials or services could result in interruptions in the performance of our services. Strikes and other industrial actions, as well as the negotiation of new collective bargaining agreements or salary increases in the future, could disrupt our operations and make it more costly to operate our facilities, which in turn could have a material adverse effect on our business, financial condition and results of operations.

Our capital expenditures may not generate a positive return.

The video, broadband Internet and telephony businesses in which we operate are capital intensive. Significant capital expenditures are required to add customers to our network, including expenditures for equipment and labor costs. No assurance can be given that our future upgrades will generate a positive return or that we will have adequate capital available to finance such future upgrades. If we are unable to, or elect not to, pay for costs associated with adding new customers, expanding or upgrading our network or making our other planned or unplanned capital expenditures, our growth could be limited and our competitive position could be harmed.

Our television service quality could be negatively impacted by interference from mobile network operators.

The quality of our television service depends on the unimpeded delivery of our signal through our cable network and customers' set-top boxes and television sets. Radio signals may interfere with the delivery of our signal and cause disruptions in the quality of our television service. In particular, radio frequencies that were historically used for the provision of analog terrestrial television have become available in the Netherlands and may be publicly auctioned to mobile network operators. Tests with mobile devices have shown that the radio signal in the available frequencies may interfere with our signal delivery. Although the Dutch government has no immediate plans to auction this spectrum to mobile network operators, there is a high probability that the spectrum will become available in the future. If the spectrum becomes available before set-top boxes and television sets with improved shielding against interference become common in the market, some of our customers may experience interference. In that case, we may use the spectrum that is subject to mobile network interference for our less popular services or invest in other solutions to decrease interference. Customer satisfaction may be negatively impacted and, as a result, we may lose subscribers, which would adversely affect our financial condition and results of operations.

Adverse decisions of tax authorities or changes in tax treaties, laws, rules or interpretations could have a material adverse effect on our results of operations and cash flow.

The tax laws and regulations in the Netherlands may be subject to change and there may be changes in interpretation and enforcement of tax law. As a result, we may face increases in taxes payable if tax rates increase, or if tax laws and regulations are modified by the competent authorities in an adverse manner.

In addition, the Dutch tax authorities periodically examine our subsidiaries. We regularly consider the likelihood of assessments and have established tax allowances which represent management's best estimate of the potential assessments. The resolution of any of these tax matters could differ from the amount reserved, which could have a material adverse effect on our cash flows, business, financial condition and results of operations for any affected reporting period. Currently, the Dutch tax authorities are conducting a regular tax audit in respect of the years ending December 31, 2005, 2006 and 2007. See "Business—Legal Proceedings".

Risks Relating to Legislative and Regulatory Matters

We are subject to significant government regulation and supervision, which may increase our costs and otherwise adversely affect our business, and further changes could also adversely affect our business.

We are subject to significant government regulation and supervision, which may increase our costs and otherwise adversely affect our business. The television, broadband Internet and telephony markets in which we operate are regulated more extensively than many other industries. We are subject to extensive regulation and supervision by various Dutch regulatory authorities, especially OPTA, and European Union authorities. Such governmental regulation and supervision, as well as future changes in laws, regulations or government policy (or in the interpretation of existing laws or regulations) that affect us, our competitors or our industry, generally strongly influence how we operate and will operate our business. Adverse regulatory developments could expose our business to a number of risks. Regulation could limit growth, revenue and the number and types of services offered and could lead to increased operating costs and capital expenditure. In addition, regulation may restrict our operations and subject us to further competitive pressure, including pricing restrictions, interconnection and other access obligations, and restrictions or controls on content. Failure to comply with current or future regulation could expose our business to various sanctions, including fines.

Regulation of our services includes price controls, service quality standards, requirements to carry specified programming, requirements to grant network access to competitors and content providers and programming content restrictions. In particular, we are subject to:

- rules regarding licensing, authorizations, declarations, frequency allocations and other regulatory permits, certificates and notices;
- price regulation for certain services that we provide, in particular with respect to wholesale line rental access and digital transmission;
- rules regarding the interconnection of our network with those of other network operators;
- the granting of access to our network to competitors for resale of our analog television programming package and for digital transmission;
- requirements that a network operator carry certain channels (the must carry obligation);
- rules relating to data protection, consumer protection and e-commerce;
- rules regarding the fair, reasonable and non-discriminatory treatment of broadcasters; and
- other requirements covering a variety of operational areas such as environmental protection, wiretapping, data retention, technical standards and subscriber service requirements.

Complying with existing regulations is burdensome, and future changes may increase our operational and administrative expenses and limit our revenues.

We have been found in the past, and in the future may be found, to have significant market power in the markets in which we operate, the regulation of which may adversely affect our business.

The European Commission's Regulatory Framework for Electronic Communications Networks and Services imposes pricing and service restrictions on entities deemed to have significant market power in any of the markets in which they operate. There is a substantial risk that we could be found to have significant market power in the markets in which we operate. For example, OPTA recently found that we have significant market power in the wholesale broadcasting market. As a result, in March 2010, OPTA published a final decision on the implementation of new regulations that will require us to open our cable network to third party providers of television services. The third parties may use our network either to resell our package of analog channels or to offer customers digital television programming procured by the third party. OPTA's decision fixed the monthly wholesale tariff that we can charge such third party providers for the resale of our package of analog channels at €8.45 (excluding VAT). We have appealed OPTA's decision; however, our appeal may be unsuccessful and we will be required to implement the new regulations while our appeal is pending. We expect to incur in the future operating costs and capital expenditure to comply with these regulations, and we expect to face new competition in the provision of analog and digital cable television services in our network area. In addition, the new regulations may allow our competitors who offer packages of video, broadband Internet and voice services to upgrade the quality of their video product by offering video service using our cable network rather than via alternative technologies of lesser quality, which may allow our competitors to capture some of our market share. See "Business—Regulation—The Netherlands".

Additionally, in the future we may be found to have significant market power in one or more of the other markets in which we operate and further adverse conditions may be imposed on us.

Risks Relating to Our Management, Principal Shareholders and Related Parties

The loss of certain key personnel could harm our business.

We have experienced employees at both the corporate and operational levels who possess substantial knowledge of our business and operations. We cannot assure you that we will be successful in retaining their services or that we would be successful in hiring and training suitable replacements without undue costs or delays. As a result, the loss of any of these key employees could cause significant disruptions in our business operations, which could materially adversely affect our results of operations.

The interests of our shareholders may be inconsistent with the interests of the holders of the Notes, and our shareholders agreement imposes operating and financial restrictions on our business.

The Cinven Funds and the Warburg Pincus Funds each own 37.3% of the equity of Even Investments Sàrl, our ultimate parent holding company. The interests of the Cinven Funds, the Warburg Pincus Funds and their respective affiliates could conflict with your interests, particularly if we encounter financial difficulties or are unable to pay our debts when due. Affiliates of the Cinven Funds and the Warburg Pincus Funds may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, although such transactions might involve risks to you as a holder of Notes. In addition, the Cinven Funds, the Warburg Pincus Funds or their respective affiliates may, in the future, own businesses that directly compete with ours.

Under our shareholders agreement, significant actions require the approval of the Cinven Funds and the Warburg Pincus Funds, including certain mergers, de-mergers or consolidations relating to us or any of our subsidiaries, any amendments to our by-laws in respect of the appointment or removal of directors, and certain other relevant matters. See "Principal Shareholders—Shareholders Agreement". The Cinven Funds and the Warburg Pincus Funds may be unable to agree on whether we should engage in any of these transactions or other matters, and any disagreement may limit our ability to respond to market opportunities, or make certain commercial or financial decisions, as quickly as needed.

Risks Relating to the Notes and our Capital Structure

Our significant leverage may make it difficult for us to service our debt, including the Notes, and operate our business.

Upon consummation of the Offering and the application of the proceeds thereof, we will have a substantial amount of outstanding indebtedness with significant debt service requirements. As of December 31, 2009, on an as adjusted basis after giving effect to the Offering and the application of the proceeds thereof, our total borrowings would have been €3,864 million, including the Notes. We would also have had approximately € 150 million available to draw under the Senior Secured Credit Facilities.

Our significant leverage could have important consequences for you as a holder of the Notes, including:

- making it more difficult for us to satisfy our obligations with respect to the Notes and our other debt and liabilities;
- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thus reducing the availability of our cash flow to fund internal growth through working capital and capital expenditures and for other general corporate purposes;
- increasing our vulnerability to a downturn in our business or economic or industry conditions;
- placing us at a competitive disadvantage compared to our competitors that have less debt in relation to cash flow;
- limiting our flexibility in planning for or reacting to changes in our business and our industry;
- restricting us from exploiting certain business opportunities; and
- limiting, among other things, our and our subsidiaries' ability to borrow additional funds or raise equity capital in the future and increasing, the costs of such additional financings.

Any of these of other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations, including under the Notes.

Despite our high level of indebtedness, we and our subsidiaries will still be able to incur significant additional amounts of debt, which could further exacerbate the risks associated with our substantial indebtedness.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. Although the Amended Senior Credit Agreement governing the Senior Secured Credit Facilities contains, and the Indenture governing the Notes will contain, restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. If new debt is added to our and our subsidiaries' existing debt levels, the related risks that we now face would increase. In addition, the Indenture and the Amended Senior Credit Agreement will not prevent us from incurring obligations that do not constitute indebtedness under those agreements.

We may not be able to generate sufficient cash to meet our debt service obligations.

Our ability to make interest payments on the Notes and to meet our other debt service obligations, including under the Senior Secured Credit Facilities, or to refinance our debt, depends on our future operating and financial performance, which will be affected by our ability to successfully implement our business strategy as well as general economic, financial, competitive, regulatory and other factors beyond our control. If we cannot generate sufficient cash to meet our debt service requirements, we may, among other things, need to refinance all or a portion of our debt, including the Notes, obtain additional financing, delay planned capital expenditures or investments or sell material assets. Under the Amended Senior Credit Agreement, we will have the flexibility to refinance a portion of our existing debt under the Senior Secured Credit Facilities by way of a senior secured note offering. See "Description of Other Indebtedness—Senior Secured Credit Facilities".

If we are not able to refinance any of our debt, obtain additional financing or sell assets on commercially reasonable terms or at all, we may not be able to satisfy our debt obligations, including the Notes. In that event, borrowings under other debt agreements or instruments that contain cross-default or cross-acceleration provisions may become payable on demand, and we may not have sufficient funds to repay all of our debts, including the Notes. See "Description of Other Indebtedness".

We are exposed to interest rate risks. Shifts in such rates may adversely affect our debt service obligations.

We are exposed to the risk of fluctuations in interest rates, primarily under the Senior Secured Credit Facilities, which are indexed to the Euro Interbank Offered Rate, or EURIBOR. Although we enter into various derivative transactions to manage exposure to movements in interest rates, there can be no assurance that we will be able to fully manage our exposure or to continue to do so at a reasonable cost.

Restrictive covenants in the Amended Senior Credit Agreement governing the Senior Secured Credit Facilities and the Indenture governing the Notes may restrict our ability to operate our business. Our failure to comply with these covenants, including as a result of events beyond our control, could result in an event of default that could materially and adversely affect our financial condition and results of operations.

The Amended Senior Credit Agreement governing the Senior Secured Credit Facilities contains negative covenants restricting, among other things, our ability to:

- make acquisitions or investments;
- make loans or otherwise extend credit to others;
- incur indebtedness or issue guarantees;
- create security;
- sell, lease, transfer or dispose of assets;
- merge or consolidate with other companies; and
- make a substantial change to the general nature of our business.

In addition, the Amended Senior Credit Agreement governing our Senior Secured Credit Facilities requires us to comply with certain affirmative covenants and certain specified financial covenants and ratios. See “Description of Other Indebtedness—Senior Secured Credit Facilities”.

Furthermore, the Indenture governing the Notes will contain negative covenants restricting, among other things, our ability to:

- incur or guarantee additional debt or issue preferred stock;
- pay dividends and make other restricted payments;
- create or incur liens;
- make certain investments;
- agree to limitations on the ability of our subsidiaries to pay dividends or make other distributions;
- engage in sales of assets and subsidiary stock;
- enter into transactions with affiliates; and
- transfer all or substantially all of our assets or enter into merger or consolidation transactions.

The restrictions contained in the Amended Senior Credit Agreement governing our Senior Secured Credit Facilities and the Indenture governing the Notes could affect our ability to operate our business and may limit our ability to react to market conditions or take advantage of potential business opportunities as they arise. For example, such restrictions could adversely affect our ability to finance our operations, make strategic acquisitions, investments or alliances, restructure our organization or finance our capital needs. Additionally, our ability to comply with these covenants and restrictions may be affected by events beyond our control. These include prevailing economic, financial and industry conditions. If we breach any of these covenants or restrictions, we could be in default under the Amended Senior Credit Agreement and the Indenture.

If there were an event of default under any of our debt instruments that are not cured or waived, the holders of the defaulted debt could terminate their commitments thereunder and cause all amounts outstanding with respect to such indebtedness to be due and payable immediately, which in turn could result in cross defaults under our other debt instruments including the Notes. Any such actions could force us into bankruptcy or liquidation, and we may not be able to repay our obligations under the Notes in such an event.

In order to meet our liquidity requirements, we may need to refinance the Senior Secured Credit Facilities, and we may not be able to do so on acceptable terms or at all.

The Senior Secured Credit Facilities will mature on different maturity dates beginning in 2013 and ending in 2016. See “Description of Other Indebtedness—Senior Secured Credit Facilities—Repayment”. Our ability to refinance these facilities could be affected by a number of factors, including volatility in the financial markets, contractions in the availability of credit, including in interbank lending and changes in investment markets, including changes in interest rates, exchange rates and returns from equity, property and other investments. Any adverse developments in the credit markets and in our credit rating, as well as other general economic conditions, may negatively impact our ability to issue additional debt as well as the amount and terms of the debt we are able to issue. Our liquidity will be adversely affected if we are unable to refinance the Senior Secured Credit Facilities on acceptable terms or at all, and we can provide no assurance we will be able to do so. In connection with any refinancing, it may also be possible that we will need to agree to covenants that place additional restrictions on our business.

Our ability to repay our debt is dependent on our ability to obtain cash from our subsidiaries.

The Issuer is a holding company that conducts no business operations of its own and has no significant assets other than the shares it holds in its direct subsidiaries and its claims under certain intercompany loans. Repayment of our indebtedness, including under the Notes, is dependent on the ability of our subsidiaries to make such cash available to us, by dividend distributions, debt repayment, loans or otherwise. Our subsidiaries may not be able to, or may be restricted by the terms of their existing or future indebtedness, or by law, in their ability to make distributions or advance upstream loans to enable us to make payments in respect of our indebtedness, including the Notes. Each subsidiary of ours is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries.

While the Indenture governing the Notes and the Amended Senior Credit Agreement governing the Senior Secured Credit Facilities limit the ability of our subsidiaries to incur contractual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to certain significant qualifications and exceptions. In the event that we do not receive distributions or other payments from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the Notes. We do not expect to have any other sources of funds that would allow us to make payments to holders of the Notes.

The Notes, the guarantees and the security interests in the collateral may be voidable under Dutch fraudulent conveyance laws.

Dutch law contains specific provisions dealing with fraudulent conveyance both in and outside of bankruptcy, the so-called *actio pauliana* provisions. The *actio pauliana* offers creditors protection against a decrease in their means of recovery. A legal act performed by a person (including, without limitation, an agreement pursuant to which it guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of its or a third party's obligations, enters into additional agreements benefiting from existing security and any other legal act having similar effect) can be challenged in or outside bankruptcy of the relevant person and may be nullified by the bankruptcy trustee in a bankruptcy of the relevant person or by any of the creditors of the relevant person outside bankruptcy, if: (i) the person performed such acts without an obligation to do so (*onverplicht*); (ii) the creditor concerned or, in the case of the person's bankruptcy, any creditor, was prejudiced in its means of recovery as a consequence of the act; and (iii) at the time the act was performed both the person and the counterparty to the transaction knew or should have known that one or more of its creditors (existing or future) would be prejudiced in their means of recovery, unless the act was entered into for no consideration (*om niet*) in which case such knowledge of the counterparty is not necessary for a successful challenge on grounds of fraudulent conveyance. If a Dutch court found that the issuance of the Notes, the granting by the Issuer of the security interests in the Proceeds Loan or the Share Pledge or the granting of a guarantee involved a fraudulent conveyance that did not qualify for any defense under Dutch law, then the issuance of the Notes, the granting of the security interests in the Proceeds Loan and the Share Pledge or the granting of such guarantee could be nullified. As a result of such successful challenges, holders of the Notes may not enjoy the benefit of the Notes, the guarantees or the security interests in the Proceeds Loan and the Share Pledge and the value of any consideration that holders of the Notes received with respect to the Notes, the security interests in the Proceeds Loan and the Share Pledge or the guarantees could also be subject to recovery from the holders of the Notes and, possibly, from subsequent transferees. In addition, under such circumstances, holders of the Notes might be held liable for any damages incurred by prejudiced creditors of the Issuer or the Guarantors as a result of the fraudulent conveyance.

Corporate benefit and financial assistance laws and other limitations on the obligations under the Notes and the guarantees may adversely affect the validity and enforceability of the Notes and the guarantees.

The Notes and the guarantees provide the holders of the Notes with a right of recourse against the assets of the Issuer and the Guarantors. The Notes and the obligations thereunder may be voidable or otherwise ineffective under applicable law. In addition, each of the guarantees and the amounts recoverable thereunder will be limited to the maximum amount that can be guaranteed by a particular Guarantor without rendering the guarantee, as it relates to that Guarantor, voidable or otherwise ineffective under applicable law. Enforcement of the obligations under the Notes against the Issuer and enforcement of a guarantee against a Guarantor will be subject to certain defenses available to the Issuer or the relevant Guarantor, as the case may be. These laws and defenses may include those that relate to fraudulent conveyance, financial assistance, corporate benefit and regulations or defenses affecting the rights of creditors generally. If one or more of these laws and defenses are applicable, the Issuer or a Guarantor may have no liability or decreased liability under the Notes or its guarantee may be unenforceable.

Your right to receive payment under the guarantees is contractually subordinated to senior debt.

The obligations of each Guarantor under its guarantee will be contractually subordinated in right of payment to the prior payment in full in cash of all obligations in respect of senior debt of such Guarantor. This senior debt includes, in respect of a Guarantor that is a borrower under the Senior Secured Credit Facilities, such Guarantor's obligations thereunder and under its hedging arrangements. As at December 31, 2009, on a pro forma basis after giving effect to the issuance of the Notes and the application of the net proceeds of the Offering as described under "Use of Proceeds", all of the Guarantors on a combined basis would have had outstanding € 2,655 million of senior debt, which would rank senior in right of payment to their guarantees of the Notes. Although the Indenture contains restrictions on the ability of the Guarantors to incur additional debt, any additional debt incurred may be substantial and senior to the guarantees. For a complete summary of the terms of, and subordination provisions relating to, the Notes and the guarantees, see "Description of the Notes—Subordination of the Note Guarantees" and "Description of Other Indebtedness—Parallel Priority Agreement".

Upon any payment or distribution to creditors of a Guarantor in respect of an insolvency event, the holders of senior debt of such Guarantor will be entitled to be paid in full from the assets of such Guarantor before any payment may be made pursuant to such Guarantee. Until the senior debt of a Guarantor is paid in full, any distribution to which holders of the Notes would be entitled but for the subordination provisions shall instead be made to holders of senior debt of such Guarantor as their interests may appear. As a result, in the event of insolvency of a Guarantor, holders of senior debt of such Guarantor may recover more, ratably, than the holders of Notes, in respect of the Guarantor's guarantee in respect thereof.

In addition, the subordination provisions relating to the guarantees provide:

- customary turnover provisions by the Trustee and the holders of the Notes for the benefit of the holders of senior debt of such Guarantor;
- that if a payment default on any senior debt of a Guarantor has occurred and is continuing, such Guarantor may not make any payment in respect of its guarantee until such default is cured or waived;
- that if any other default occurs and is continuing on any designated senior indebtedness that permits the holders thereof to accelerate its maturity and the Trustee receives a notice of such default, such Guarantor may not make any payment in respect of the Notes, or pursuant to its guarantee, until the earlier of the default is cured or waived or 179 days after the date on which the applicable payment blockage notice is received; and
- that the holders of the Notes and the Trustee are prohibited, without the prior consent of the senior agent, from taking any enforcement action in relation to such guarantee, except in certain circumstances.

The Indenture will also provide that, except under very limited circumstances, only the Trustee will have standing to bring an enforcement action in respect of the Notes and the guarantees. Moreover, the Parallel Priority Agreement and the Indenture will restrict your rights as a holder of the Notes to initiate insolvency proceedings or take legal actions against the Guarantors and by accepting any Note you will be deemed to have agreed to these restrictions. As a result of these restrictions, holders of the Notes will have limited remedies and recourse under the guarantees in the event of a default by the Issuer or a Guarantor.

The creation of the security interests in the collateral and the enforcement thereof is subject to certain uncertainties under Dutch law.

Under Dutch law, it is uncertain as to whether security interests can be granted to a party other than the creditor of the claim which is purported to be secured by such security interests. For that reason, the Indenture will provide for the creation of a so called "parallel debt obligation". Pursuant to the parallel debt obligation included in the Indenture, the Security Trustee will become the holder of a separate and independent claim equal to the total amount payable by the Issuer under the Indenture and the Notes. The parallel obligation is secured by the security interests in the collateral. The parallel obligation structure may be subject to uncertainties as to its validity and enforceability. We cannot assure you that the parallel obligation structure will eliminate or mitigate the risk of enforceability of security interests which exists under Dutch law.

The insolvency and administrative laws of the Netherlands and the European Union may not be favorable to creditors, including holders of Notes, as the case may be, and may limit your ability to enforce your rights under the Notes, the guarantees or the security interests in the collateral.

We and our subsidiaries are organized under the laws of the Netherlands and have our statutory seat (*statutaire zetel*) in the Netherlands. Consequently, in the event of a bankruptcy or insolvency event with respect to us or one of our subsidiaries, primary proceedings would likely be initiated in the Netherlands. Dutch insolvency laws may make it difficult or impossible to effect a restructuring.

There are two primary insolvency regimes under Dutch law. The first, suspension of payments (*surseance van betaling*), is intended to facilitate the reorganization of a debtor's debts and enable the debtor to continue as a going concern. The second, bankruptcy (*faillissement*), is designed to liquidate and distribute the assets of a debtor to its creditors.

Upon commencement of suspension of payments proceedings, the court will grant a provisional suspension. A definitive suspension will generally be granted in a creditors' meeting called for that purpose, unless a qualified minority (more than one-quarter in amount of claims held by creditors represented at the creditors' meeting or one-third in number of creditors represented at such creditors' meeting) of the unsecured non-preferential creditors withholds its consent or if there is no prospect that the debtor will in the future be able to pay its debts as they fall due (in which case the debtor will generally be declared bankrupt). During a suspension of payments, unsecured and non-preferential creditors will be precluded from attempting to recover their claims from the assets of the debtor. A suspension of payments is subject to exceptions, the most important of which excludes secured creditors and preferential creditors (such as tax and social security authorities and employees) from the application of the suspension. This implies that during suspension of payments proceedings secured creditors may proceed against the assets that secure their claims to satisfy their claims, and preferential creditors are also not barred from seeking to recover their claims. In a suspension of payments, a composition (*akkoord*) may be offered by the debtor to its creditors. Such a composition will be binding on all unsecured and non-preferential creditors, irrespective whether they voted in favor or against it or whether they were represented at the creditor's meeting called for the purpose of voting on the composition plan, if (i) it is approved by more than 50% in number of the general unsecured and non-preferential creditors present or represented at the creditor's meeting, representing at least 50% in amount of the general unsecured and non-preferential claims admitted for voting purposes and (ii) it is subsequently ratified (*gehomologeerd*) by the court. Consequently, Dutch insolvency laws could reduce the recovery of holders of the Notes in a Dutch insolvency proceeding.

Under Dutch bankruptcy proceedings, the assets of a debtor are generally liquidated and the proceeds distributed to the debtor's creditors on a pari passu basis. Certain creditors (such as secured creditors and preferential creditors) have special rights that may adversely affect the interests of holders of the Notes. For example, a Dutch bankruptcy does not prohibit secured creditors from taking recourse against the encumbered assets of the bankrupt debtor to satisfy their claims. Consequently, Dutch insolvency laws could reduce the potential recovery of a holder of the Notes in Dutch bankruptcy proceedings. To obtain payment on unsecured non-preferential claims, such claims need to be submitted to the trustee in bankruptcy (*curator*) for verification. "Verification" under Dutch law means that the trustee verifies the value of the claim and whether and to what extent it may be admitted in the bankruptcy proceedings. The claim of a creditor may be limited depending on the date the claim becomes due and payable in accordance with its terms. Generally, claims of holders of the Notes which were not due and payable by their terms on the date of a bankruptcy of the Issuer or a Guarantor are only admissible for verification for their net present value if they mature more than one year after opening of the bankruptcy. Each of these claims will have to be submitted to the trustee of the Issuer or the trustee of the relevant Guarantor for verification. Creditors that wish to dispute the valuation of their claims by the trustee will need to commence a court proceeding. These verification procedures could result in holders of the Notes receiving a right to recover less than the principal amount of their Notes. In addition, in a Dutch bankruptcy in practice usually no or little funds remain available for the payment of unsecured and non-preferential creditors.

In a bankruptcy, a composition (*akkoord*) may be offered to the unsecured and non-preferential creditors. Such a composition will be binding upon all unsecured and non-preferential creditors, if (i) it is approved by a simple majority of a meeting of the recognized and admitted creditors representing at least 50% of the amount of the recognized and of the admitted claims and (ii) it is subsequently ratified (*gehomologeerd*) by the court.

The value of the collateral securing the Notes may not be sufficient to satisfy our obligations under the Notes and such collateral may be reduced or diluted under certain circumstances.

The Notes are only secured by a share pledge over the shares of ABC B.V. and by an assignment over the Issuer's rights under the Proceeds Loan. In the event of foreclosure on the collateral securing indebtedness under the Notes, the proceeds from the sale of the shares of ABC B.V. and the interests of the Issuer under the Proceeds Loan may not be sufficient to satisfy our obligations under these Notes. The value of the collateral and the amount to be received upon a sale of such collateral will depend upon many factors, including, among others, the ability to sell the ABC B.V. shares in an ordinary sale and the availability of buyers. In addition, the ABC B.V. shares may be illiquid and may have no readily ascertainable market value.

The Indenture will permit the granting of certain liens other than those in favor of the holders of the Notes on the collateral securing the Notes. To the extent that holders of other secured indebtedness or third parties enjoy liens, including statutory liens, whether or not permitted by the Indenture or the security documents, such holders or third parties may have rights and remedies with respect to the collateral that, if exercised, could reduce the proceeds available to satisfy our obligations under the Notes. Moreover, if we issue additional Notes under the Indenture, holders of such additional Notes would benefit from the same collateral as the holders of the Notes being offered hereby, thereby diluting your ability to benefit from the liens on the collateral.

You may not be able to enforce the security interests in the collateral due to restrictions on enforcement contained in Dutch corporate law.

Under Dutch law, the enforcement of the security interests in the collateral may, in whole or in part, also be limited to the extent that the obligations of the Issuer under the security are not within the scope of its objects and the counterparty under the security was aware or ought to have been aware (without inquiry) of this fact. The articles of association of the Issuer permit the provision of security for, among others, group companies. However, the determination of whether a legal act is within the objects of a company may not be based solely on the description of the articles of association, but must take into account all relevant circumstances, including, in particular, the question whether the interests of such company are served by the relevant legal act. If the granting of the Share Pledge and the security interest in the Proceeds Loan, in the light of the benefits, if any, derived by the Issuer from creating such interests, would have an adverse effect on the interests of the Issuer, the Share Pledge or the security interest in the Proceeds Loan may be found to be voidable or unenforceable upon the request of the Issuer or its administrator in bankruptcy. As a result, notwithstanding the foregoing provisions of the Issuer's articles of association, and notwithstanding that the board of directors of the Issuer has resolved that the granting of the Share Pledge and the security interest in the Proceeds Loan are within the objects of and in the interest of the Issuer, no assurance can be given that a court would conclude that the granting of the Share Pledge or the security interest in the Proceeds Loan is within the objects of the Issuer. To the extent the Issuer or its administrator successfully invokes the voidability or non-enforceability of the Share Pledge or the security interest in the Proceeds Loan, such security would be limited to the extent any portion of it is not nullified and remains enforceable.

Changes in the tax deductibility of interest may adversely affect our financial position and our ability to service the obligations under the Notes.

There has been political discussion in the Netherlands on limiting the deductibility of interest on excessive acquisition debt incurred by acquisition holding companies. On April 7, 2010, a committee appointed by the Dutch Ministry of Finance published a report describing certain potential measures that may effectively limit deductibility of interest, including interest in acquisition debt. It is currently unclear whether a legislative proposal will actually be submitted to parliament. Also, it is unclear whether such legislative proposal will limit the tax deductibility of the interest payable by us under our indebtedness. Our financial position and our ability to service the obligations under our indebtedness may be adversely affected if new laws or changes in the interpretation of existing laws were to limit the deductibility of interest under our indebtedness.

We may not be able to obtain enough funds necessary to finance an offer to repurchase your Notes upon the occurrence of certain events constituting a change of control (as defined in the Indenture) as required by the Indenture.

Upon the occurrence of certain events constituting a change of control, the Issuer is required to offer to repurchase all outstanding Notes at a purchase price in cash equal to 101% percent of the principal amount thereof on the date of purchase plus accrued and unpaid interest to the date of purchase. If a change of control were to occur, we cannot assure you that the Issuer would have sufficient funds available at such time to pay the purchase price of the outstanding Notes or that the restrictions in the Senior Secured Credit Facilities or other then-existing contractual obligations of the Issuer would allow the Issuer to make such required repurchases. A change of control may result in an event of default under, or acceleration of, the Senior Secured Credit Facilities, the Notes and other indebtedness or trigger a similar obligation to offer to repurchase loans or notes thereunder. The repurchase of the Notes pursuant to such an offer could cause a default under such indebtedness, even if the change of control itself does not. The Issuer's ability to pay cash to the holders of the Notes following the occurrence of a change of control may be limited by our then-existing financial resources. Sufficient funds may not be available when necessary to make any required repurchases. If an event constituting a change of control (as defined in the Indenture) occurs at a time when the Issuer is prohibited from repurchasing Notes, we may seek the consent of the lenders under such indebtedness to the purchase of Notes or may attempt to refinancing the borrowings that contain such prohibition. If we do not obtain such a consent or repay such borrowings, the Issuer will remain prohibited from repurchasing any tendered Notes. In addition, we expect that we would require third-party financing to make an offer to repurchase the Notes upon a change of control. We cannot assure you that we would be able to obtain such financing. Any failure by the Issuer to offer to purchase Notes would constitute a default under the Indenture, which would, in turn, constitute a default under the Senior Secured Credit Facilities and the Notes. See "Description of the Notes—Repurchase at the Option of Holders—Change of Control".

The change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events, including reorganization, restructuring, merger or other similar transaction involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "change of control" as defined in the Indenture. Except as described under "Description of the Notes—Repurchase at the Option of Holders—Change of Control", the Indenture does not contain provision that require us to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, merger, recapitalization or similar transaction.

In addition, the occurrence of certain events that might otherwise constitute a change of control will be deemed not to be a change of control if at the time our consolidated leverage ratio is less than certain specified levels. See "Description of the Notes—Repurchase at the Option of Holders—Change of Control" and "—Certain Definitions—Specified Change of Control Event".

The definition of "change of control" contained in the Indenture includes a disposition of all or substantially all of the assets of the Issuer and its restricted subsidiaries taken as whole to any person. Although there is a limited body of case law interpreting the phrase "all or substantially all", there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Issuer and its restricted subsidiaries taken as a whole. As a result, it may be unclear as to whether a change of control has occurred and whether the Issuer is required to make an offer to repurchase the Notes.

Transfers of the Notes are restricted, which may adversely affect the value of the Notes.

The Notes are being offered and sold pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws of the United States. The Notes have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws. Therefore you may not transfer or sell the Notes in the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws, or pursuant to an effective registration statement, and you may be required to hear the risk of your investment in the Notes for an indefinite period of time. The Notes and the Indenture governing the Notes contain provisions that restrict the Notes from being offered, sold or otherwise transferred except pursuant to the exemptions available pursuant to Rule 144A and Regulation S under the U.S. Securities Act, or other exemptions under the U.S. Securities Act. In addition, by acceptance of delivery of any Notes, the holder thereof agrees on its own behalf and on behalf of any investor accounts for which it has purchased the Notes that it shall not transfer the Notes in an aggregate principal amount of less than €50,000. Furthermore, we have not registered the Notes under any other country's securities laws. It is your obligation to ensure that your offers and sales of the Notes within the United States and other countries comply with applicable securities laws. See "Notice to Investors".

You may be unable to recover in civil proceedings for U.S. securities laws violations.

The Issuer and each of the Guarantors are organized under the laws of the Netherlands and do not have any assets in the United States. It is anticipated that some or all of the directors and executive officers of the Issuer and each of the Guarantors will be non-residents of the United States and that all or a majority of their assets will be located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer, the Guarantors or its or their respective directors and executive officers, or to enforce any judgments obtained in U.S. courts predicated upon civil liability provisions of the U.S. securities laws. In addition, neither the Issuer nor the Guarantors assure you that civil liabilities predicated upon the federal securities laws of the United States will be enforceable in the Netherlands. See "Enforcement of Judgments".

The Notes will initially be held in book-entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

The Notes will initially only be issued in global certificated form and held through Euroclear and Clearstream.

Interests in the global notes will trade in book-entry form only, and the Notes in definitive registered form, or definitive registered notes, will be issued in exchange for book-entry interests only in very limited circumstances. Owners of book-entry interests will not be considered owners of the Notes. The common depositary, or its nominee, for Euroclear and Clearstream will be the sole registered holder of the global-notes representing the Notes. Payments of principal, interest and other amounts owing on or in respect of the global notes representing the Notes will be made to Deutsche Bank AG, London Branch, as paying agent, which will make payments to Euroclear and Clearstream. Thereafter, these payments will be credited to participants' accounts that hold book-entry interests in the global notes representing the Notes and credited by such participants to indirect participants. After payment to the common depositary for Euroclear and Clearstream, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of Euroclear and Clearstream, and if you are not a participant in Euroclear or Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder of the Notes under the Indenture.

Unlike the holders of the Notes themselves, owners of book-entry interests will not have the direct right to act upon our solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear or Clearstream. The procedures implemented for the granting of such proxies may not be sufficient to enable you to vote on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture, unless and until definitive registered Notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be restricted to acting through Euroclear and Clearstream. The procedures to be implemented through Euroclear and Clearstream may not be adequate to ensure the timely exercise of rights under the Notes. See "Book-Entry, Delivery and Form".

There may not be an active trading market for the Notes in which case your ability to sell the Notes will be limited.

We cannot assure you as to:

- the liquidity of any market in the Notes;
- your ability to sell your Notes; or
- the prices at which you would be able to sell your Notes.

Future trading prices of the Notes will depend on many factors, including, among other things, prevailing interest rates, our operating results and the market for similar securities. Historically, the market for non-investment grade securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The liquidity of a trading market for the Notes may be adversely affected by a general decline in the market for similar securities and is subject to disruptions that may cause volatility in prices. It is possible that the market for the Notes will be subject to disruptions. Any such disruption may have a negative effect on you, as a holder of Notes, regardless of our prospects and financial performance. As a result, there may not be an active trading market for the Notes. If no active trading market develops, you may not be able to resell your Notes at a fair value, if at all.

Although the Issuer will, in the Indenture, agree to use its reasonable best efforts to have the Notes listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF within a reasonable period after the issue date of the Notes and to maintain such listing as long as the Notes are outstanding, the Issuer cannot assure you that the Notes will become, or remain listed. If the Issuer can no longer maintain the listing on the Official List of the Luxembourg Stock Exchange and the admission to trading on the Euro MTF or it becomes unduly burdensome to make or maintain such listing, the issuer may cease to make or maintain such listing on the Official List of the Luxembourg Stock Exchange, provided that it will use reasonable best efforts to obtain and maintain the listing of the Notes on another stock exchange although there can be no assurance that the Issuer will be able to do so. Although no assurance is made as to the liquidity of the Notes as a result of listing on the Official List of the Luxembourg Stock Exchange or another recognized listing exchange for high yield issuers in accordance with the Indenture, failure to be approved for listing or the delisting of the Notes from the Official List of the Luxembourg Stock Exchange or another listing exchange in accordance with the Indenture may have a material adverse effect on a holder's ability to resell Notes in the secondary market.

THE ISSUER

The Issuer was formed for the purpose of the Offering under the laws of the Netherlands on March 30, 2010. Since the date of its incorporation, other than entering into contracts in connection with the issue of the Notes, the Issuer has not commenced business.

The registered name of the Issuer is Ziggo Bond Company B.V.

USE OF PROCEEDS

The gross proceeds from the sale of the Notes will be €1,200 million. After deducting estimated transaction fees and expenses and other payments, the net proceeds from the sale of the Notes will be approximately €1,159 million. See the chart and related footnotes below for more information. We expect to use the proceeds of the Offering to refinance the entire amount outstanding under the Mezzanine Credit Facilities and to pay fees and expenses related to the Refinancing.

The following table sets forth the anticipated sources and uses of funds in connection with the Refinancing:

Sources	€ in millions	Uses	€ in millions
Notes offered hereby[(1)]............	1,200	Refinance Mezzanine Credit Facilities[(2)]	1,181
Cash	22	Estimated transaction fees and expenses and other payments[(3)]..............................	41
Total sources...........................	1,222	Total uses................................	1,222

(1) The Issuer will issue €1,208.85 million aggregate principal amount of notes in the offering at an issue price of 99.271% of the principal amount thereof.

(2) Represents the repayment in full of the principal amount of the Mezzanine Credit Facilities outstanding on the Issue Date, plus the expected accrued and unpaid interest to the Issue Date.

(3) The fees and expenses represents our estimates of fees and expenses related to the Refinancing, including underwriting fees and commissions, amendment fees associated with the amendment of the Senior Credit Agreement, other financing fees, advisory fees and other transaction costs and professional fees.

CAPITALIZATION

The following table sets forth, on a consolidated basis, under IFRS the cash and cash equivalents and capitalization of:

- ABC B.V., on a historical basis, as of December 31, 2009; and
- the Issuer, (i) on a pro forma basis to give effect to the acquisition of ABC B.V. and its consolidated subsidiaries as if such acquisition had occurred and the Issuer had existed on December 31, 2009 and (ii) as adjusted to give effect to the Offering and the application of the proceeds thereof as described under "Use of Proceeds".

This table should be read in conjunction with "Summary—The Refinancing", "Use of Proceeds", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Description of Other Indebtedness" and the financial statements and related notes thereto included elsewhere in this offering memorandum.

	As of December 31, 2009	
	(€ in millions)	
	ABC B.V. Actual	Pro Forma Issuer as Adjusted
Cash and cash equivalents(1)	65	44
Debt (including current portion)		
Senior Secured Credit Facilities	2,655	2,655
Notes offered hereby(2)	—	1,209
Mezzanine Credit Facilities	1,159	—
Total gross debt	3,815	3,864
Unamortized funding costs(3)	(103)	(126)
Total shareholder's equity	842	812(4)
Total capitalization	4,554	4,551

(1) Cash available at bank and in hand and short-term deposits with an original maturity of three months or less. As adjusted cash and cash equivalents is calculated by adding the gross proceeds of the Notes offered hereby of €1,200 million, less the amount used to retire debt outstanding under the Mezzanine Credit Facilities of €1,181 million (representing the full principal of the Mezzanine Credit Facilities outstanding on the Issue Date, plus the expected accrued and unpaid interest to the Issue Date) and amounts used to pay fees and expenses obligations expected to be incurred in connection with the Refinancing of €41 million.

(2) Stated at nominal value.

(3) Unamortized funding costs are the unamortized portion of capitalized fees and expenses associated with the establishment of the Senior Secured Credit Facilities and the Mezzanine Credit Facilities.

(4) Accrued interest on the Mezzanine Credit Facilities (net of estimated tax) as of the Issue Date and unamortized funding costs attributable to the Mezzanine Credit Facilities (net of estimated tax) as of December 31, 2009 have been deducted from pro forma total shareholder's equity.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The Issuer was incorporated on March 30, 2010 for the purpose of the Offering. Consequently, limited historical financial information relating to the Issuer is available, and the financial information included in this offering memorandum with respect to the Issuer consists only of the audited statement of financial position of the Issuer as of March 31, 2010, which has been prepared in accordance with IFRS. The Issuer acquired all of the issued and outstanding shares of ABC B.V. on March 30, 2010.

Because of the limited historical financial information available for the Issuer, we have included and primarily discussed in this offering memorandum the audited consolidated historical financial statements of ABC B.V. as of and for the years ended December 31, 2007, 2008, 2009. Accordingly, all references to "we", "us" or "our" in respect of historical financial information in this offering memorandum are to ABC B.V. and its subsidiaries on a consolidated basis. The audited consolidated financial statements of ABC B.V. included herein and the accompanying notes thereto have been prepared in accordance with IFRS.

The following table sets forth our selected consolidated financial information as of December 31, 2008 and 2009 and for each of the years ended December 31, 2007, 2008 and 2009. Our selected consolidated financial information as of December 31, 2008 and 2009 and for each of the years ended December 31, 2007, 2008 and 2009 has been derived from the audited consolidated financial statements included elsewhere in this offering memorandum. Our audited consolidated financial statements included elsewhere in this offering memorandum include the results of operations of the @Home Business only from February 1, 2007, the date of its acquisition. Accordingly, only the results of operations of the @Home Business for the eleven months ended December 31, 2007 are reflected in our audited consolidated financial statements for the year ended December 31, 2007. Such financial statements were prepared in accordance with IFRS and were audited by Ernst & Young Accountants LLP, independent auditors, as set forth in their auditor's report included elsewhere in this offering memorandum.

The following information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements included in this offering memorandum. Our historical results do not necessarily indicate results that may be expected for any future period.

	Year ended December 31,		
	2007	2008	2009
	(€ in thousands)		
Income Statement Data:			
Total revenues	1,093,906	1,238,613	1,284,395
Cost of goods sold	(161,636)	(236,112)	(255,481)
Personnel	(162,849)	(156,447)	(175,868)
Contracted work	(56,907)	(57,933)	(80,980)
Other expenses	(167,852)	(161,666)	(123,393)
Depreciation and amortization	(494,597)	(464,549)	(477,240)
Operating income	50,065	161,906	171,433
Net financial income (expense)	(272,688)	(462,357)	(313,045)
Share of the profit (loss) of associates	(8)	—	—
Loss before income taxes	(222,631)	(300,451)	(141,612)
Income tax benefit (expense)	60,694	76,615	36,111
Net income (loss)	(161,937)	(223,836)	(105,501)

	As of December 31,		
	2007	2008	2009
	(€ in thousands)		
Balance Sheet Data:			
Assets			
Inventories	12,956	13,978	25,542
Trade accounts receivable	33,451	48,719	43,592
Other current assets	10,847	30,102	27,184
Cash and cash equivalents	121,748	42,541	65,271
Total current assets	179,002	135,340	161,589
Property and equipment	1,649,227	1,646,419	1,549,664
Intangible assets	3,897,233	3,718,436	3,593,060
Financial assets	50,976	899	368
Deferred income tax asset	107,194	129,313	138,513
Total non-current assets	5,704,630	5,495,067	5,281,605
Total assets	5,883,632	5,630,407	5,443,194

Shareholder's equity and liabilities			
Trade accounts payable	115,233	60,242	102,951
Deferred revenue	43,789	97,407	106,247
Current liabilities related parties	—	877	948
Other current liabilities	120,523	133,574	129,602
Total current liabilities	311,970	292,100	339,748
Loans from financial institutions	3,832,504	3,801,283	3,712,042
Derivative financial instruments	—	73,935	102,261
Provisions	3,078	5,093	—
Deferred income tax liability	537,979	483,731	447,528
Total non-current liabilities	4,373,561	4,364,042	4,261,831
Equity attributable to equity holders	1,198,101	974,265	841,615
Total equity and liabilities	5,883,632	5,630,407	5,443,194

	Year ended December 31,		
	2007	2008	2009
	(€ in thousands)		
Cash Flow Statement Data:			
Net cash flow from operating activities	581,442	603,836	687,709
Net cash flow from (used in) investing activities	(1,771,335)	(278,093)	(253,576)
Net cash flow from (used in) financing activities	1,247,994	(401,701)	(411,403)
Net increase (decrease) in cash and cash equivalents	58,101	(75,958)	22,730

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is based upon our consolidated financial statements prepared in accordance with IFRS, and should be read in conjunction with our consolidated financial statements and the related notes thereto included elsewhere in this offering memorandum. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs, which are based on assumptions we believe to be reasonable. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this offering memorandum, particularly in "Risk Factors" and "Forward-Looking Statements".

Overview

We are the largest cable television operator in the Netherlands. Our cable network covers 55% of the Netherlands by homes passed and includes the metropolitan centers of Utrecht and The Hague. We were formed through the combination of the Multikabel Business, the Casema Business and the @Home Business in 2007, and we rebranded the combined businesses under the "Ziggo" brand in May 2008.

We provide standard cable television and digital pay television, including high definition and on-demand television, high speed broadband Internet and telephony services to subscribers who reside in our network area. We also offer our "All-in-1" bundles consisting of standard cable television, broadband Internet and telephony services in a single package. As of December 31, 2009, we provided our standard cable services to approximately 3.2 million unique residential subscribers, or 80.2% of homes passed by our network. According to Telecompaper, our national subscription market shares for television, broadband Internet and fixed telephony services were 40%, 24% and 17% respectively. Based on internal estimates, we believe that our subscription market shares in our network area for television, broadband Internet and fixed telephony services were approximately 70%, 40% and 30%, respectively. OPTA estimates that we have a national market share of between a 40% and 50% in "triple-play" bundles of television, broadband Internet and telephony services.

We are focused on continuing to grow our digital pay television services by converting our standard cable subscriber base to digital. We offer additional digital programming and a full simulcast of our standard cable television programming in digital to our subscribers for no additional charge in order to stimulate the uptake of digital television. We also offer a variety of interactive and on-demand pay television programming, as well as packages of premium digital channels. As of December 31, 2009, approximately 49.0% of our subscriber base had activated smart cards and received our digital television programming, compared to 34.5% as of December 31, 2008. For the year ended December 31, 2009, our digital pay television services generated an incremental ARPU (calculated based on the number of our subscribers who had activated smart cards) of €5.75 per month.

The foundation of our business historically was the provision of standard cable services. However, consumers are increasingly looking to receive their media and communications services from one provider at attractive prices in the form of bundles. In response, we are focusing on offering our subscribers broadband Internet and telephony subscriptions and services together with our standard cable television services in the form of bundles. We introduced our "All-in-1" bundle of television, broadband Internet and telephony services in May 2008, and as of December 31, 2009 we provided All-in-1 bundles to 675,000 subscribers, an increase of 156% over the prior year. We have derived, and believe we can continue to derive, substantial benefits from the trend towards bundled subscriptions, which provide higher ARPUs and additional RGUs. For the year ended December 31, 2009, our bundle ARPU was €40.12 per month and our blended ARPU was €29.93 per month, a €1.33 increase over the year ended December 31, 2008.

We believe our cable network, which passed approximately four million homes and served 3.2 million unique residential subscribers as of December 31, 2009, is one of the most technically advanced in Europe. Our entire cable network has been upgraded to bi-directional capability, is fully EuroDocsis 3.0 enabled and provides a spectrum bandwidth capacity of 862 MHz, which is greater than the international industry average. As a result, our network offers greater capacity for television and broadband Internet services than our competitors can offer over fixed-line telephone networks or other distribution methods that are currently widely available. We have made significant prior investment in upgrading and integrating our network and systems, which we believe will limit our capital expenditures over the next several years to incremental upgrades required by customer subscriptions for upgraded service offerings and increased usage.

Key Factors Affecting Our Businesses

Our operations and the operating metrics discussed below have been, and may continue to be, affected by certain key factors as well as certain historical events and actions. The key factors affecting the ordinary course of our business and our results of operations include, in particular, the introduction of new products and services, including new digital television pay services and higher broadband Internet access speeds, changes in our pricing, network upgrades and maintenance, our cost structure, customer churn and acquisitions and dispositions. Each of these factors is discussed in more detail below.

New products and services

In May 2008, we announced our new brand "Ziggo" as a single unified name for the cable and telecommunications services previously marketed under the brands of the @Home Business, the Multikabel Business and the Casema Business. In connection with the launch of our new name, we also fully standardized our product offering across our business. We now offer subscribers within our network area standard cable, digital pay television, broadband Internet and telephony services. We frequently upgrade our product offerings and service quality, including by increasing the broadband Internet speeds that we offer, in order to stay competitive and increase RGUs and ARPUs.

Digital Pay Television Services

We provide digital cable television service for no additional fee to all of our subscribers who have activated smart cards. Subscribers who have activated smart cards then have access to our digital pay television services. The percentage of our total subscribers who have activated smart cards has steadily increased over the past several years, from 24.8% as of December 31, 2007 to 49.0% as of December 31, 2009. We frequently update our digital pay television offerings in order to stay competitive, encourage customers to migrate to digital and increase our RGUs and ARPUs. In April 2009, we launched our interactive television services, including our video-on-demand product, "On Demand", our content library product, "TV Theek" and our television replay product, "Catch-Up".

All-in-1 bundle

In May 2008, we first introduced the "All-in-1" bundle, which became available in our entire service area towards the end of 2008. We believe that customers of media and communications services will increasingly choose bundled products because of the convenience and cost savings that result from acquiring television, broadband Internet and telephony services from a single provider for one simple price. As of December 31, 2009, 675,000 subscribers, or 21.3% of total subscribers, subscribed to an All-in-1 bundle, compared to 263,000 subscribers, or 8.1% of our total subscribers as of December 31, 2008. Subscribers to our All-in-1 bundle product are recorded as three separate RGUs because All-in-1 customers receive each of our standard cable, broadband Internet and telephony services, and a fourth RGU under digital pay television services if they have activated a smart card. Our All-in-1 product has helped drive an increase in total RGUs, which increased by 602,000 during 2009. In addition, subscribers to our bundled products generate higher ARPU than our other subscribers. The increase in bundle subscribers during 2009 was the primary driver of our increase in blended ARPU, which increased from €28.60 for the year ended December 31, 2008 to €29.93 for the year ended December 31, 2009. In the future, we expect that our RGUs, ARPU and total revenue will increase in line with increases in the proportion of our customers that choose bundled products.

We report revenues from our All-in-1 bundle separately and, as a result, a shift in our subscriber base to the All-in-1 bundle will cause reported video, broadband Internet and telephony revenues to decrease and reported All-in-1 bundle revenues to increase.

Pricing

We regularly review our pricing policy. In May 2008, in conjunction with the introduction of our new brand, we fully standardized, including by price, our product offering across our business. In the past, we have increased the subscription fees for our standard cable service by around 1% to 2% a year in line with inflation and have from time to time adjusted the prices we charge for our other services in response to changes in market conditions.

Cost structure

Certain of our cost elements, such as a portion of our network operations, customer care, billing and administration costs, are relatively fixed, while a portion of our marketing and content costs are relatively variable. Our most significant costs include payroll costs, author rights, signal costs and royalties and interconnection fees. We pay interconnection fees to other network operators when we connect to their networks in order to provide our voice and data services. Voice interconnection fees in the Netherlands are regulated and the amount we pay in interconnection fees in any period will depend on the level of usage of our services.

Our payroll costs depend on the number and salary levels of our full-time staff and external personnel. During 2007 and 2008, a significant number of our employees resigned as we consolidated customer care and head office functions to new offices that were impractical for some of our employees. We have taken steps to hire additional personnel and, as a result, personnel costs increased 12.4% in the year ended December 31, 2009, after decreasing 3.9%

in the year ended December 31, 2008. We believe that our current personnel levels are adequate and we do not expect to increase our personnel levels significantly in the near future.

We also outsource a portion of our call center customer care and sales functions. The fees that we are charged by the operators of our external call centers generally depend on the level of our customer care call volume. The level of our customer care call volume may fluctuate during any given period as a result of, among other things, the introduction of new products and services that are unfamiliar to our customers or difficult to install, the quality and reliability of our services and the quality of our alternative customer support options, including our automated customer care functions on our website.

We do not produce our own content and are dependent on broadcasters and other content providers for programming. We pay author rights to various author rights societies in the Netherlands under collective agreements entered into between the Dutch cable operators and a consortium of Dutch author rights societies. We also pay signal costs to broadcasters in order to carry their signal on our network. We generally pay author rights and signal costs on a per subscriber basis. We also pay royalties to our third-party content providers for our digital pay television programming. We generally pay royalties on a per subscriber basis for subscription content and pay fixed amounts for on demand content that is purchased by our subscribers. As a result, we expect that our content costs will increase along with increased sales of our digital pay television content.

We also incur costs in procuring set-top boxes that we sell to our customers. Although we believe that Dutch consumers generally prefer to purchase set-top boxes from independent retailers rather than their cable provider, we sell through various sales channels set-top boxes directly to our subscribers. We began accounting for the costs of set-top boxes as cost of goods sold in 2008, which increased our cost of goods sold by € 35.3 million and €50.8 million for the years ended December 31, 2008 and 2009, respectively. As a result, our cost of goods sold is affected by the percentage of our subscribers that choose to purchase set-top boxes directly from us rather than independent retailers. Our cost of goods sold may increase in the future if we experience an increase in sales of interactive set-top boxes, which are more expensive to procure than digital or high definition set-top boxes.

Churn

The cable television, broadband Internet and telephony industries exhibit churn as a result of high levels of competition. In addition to competitive alternatives, churn levels may be affected by changes in our or our competitors' prices, our level of customer satisfaction and the relocation of subscribers. Increases in churn may lead to increased costs and reduced revenues. Adjusted for subscribers who move within our network coverage area, we estimate annualized churn as of December 31, 2009 was approximately 10.2% for standard cable services, 8.3% for digital pay television services, 10.8% for broadband Internet services and 10.8% for telephony services. A material portion of our churn is due to subscribers moving out of our service area. While our management believes that this churn data presents an accurate indication of churn for the period indicated, there can be no assurances that the churn rate adjustments extrapolated from such information is accurate. See "Forward-Looking Statements". For a definition of churn as it is used herein, see "Presentation of Financial and Other Information and Certain Definitions—Certain Definitions".

Integration of predecessor businesses

We have made significant investment in the integration of our predecessor businesses, including by consolidating customer care, billing and network monitoring and maintenance functions. We incurred €25.6 million, €50.6 million and €47.1 million of integration operating expenses during the years ended December 31, 2007, 2008 and 2009, respectively. Integration operating expenditures include operating expenses incurred in connection with the integration of our predecessor businesses, including, among other things, consultancy fees related to the integration of our predecessor businesses, restructuring and redundancy costs, costs related to the launch and establishment of our single brand name "Ziggo" and costs related to the consolidation of office functions to our central office in Utrecht. Integration operating expenses have been allocated to the operating expense line items that we include in our annual accounts. We expect to incur approximately €8 million of integration operating expenses during 2010 and do not expect to incur any integration operating expenses in 2011 or beyond.

We also incurred €34.9 million, €66.1 million and €42.3 million in integration capital expenditure associated with the integration and harmonization of our predecessor businesses in the years ended December 31, 2007, 2008 and 2009, respectively. We expect to incur approximately €25 million in integration capital expenditure in 2010 and do not expect to incur any integration capital expenditure or integration operating expenditure in 2011 or beyond.

Network upgrades and maintenance

Our ability to provide new high definition and on-demand digital television services, broadband Internet access at ever higher speeds and telephony services to additional subscribers depends in part on our ability to upgrade our network. During 2008 and 2009, we fully upgraded our network to EuroDocsis 3.0 technology, which allows us to offer our customers higher broadband Internet access speeds and additional premium digital video and voice services. We are also investing to upgrade our network capacity so that we are able to offer customers across our network area broadband Internet access speeds of 120 Mbps. As of March 31, 2010, we had introduced broadband Internet service with top download speeds of 120 Mbps in Utrecht, The Hague, Amersfoort, Enschede, Heerhugowaard, Meppel, Tilburg and Maastricht. We expect to complete the roll out of 120 Mbps service across our network during 2010.

We carefully monitor success-based capital expenditure by applying strict investment return and payback criteria. For the year ended December 31, 2009, we incurred non-integration capital expenditure of €208.0 million, compared to € 172.3 million during the year ended December 31, 2008. See "—Liquidity and Capital Resources—Capital Expenditure and Investments".

Acquisitions and divestitures

We were formed in 2006 by the combination of the Casema Business and the Multikabel Business. On February 1, 2007, we acquired the @Home Business. The acquisition of the @Home Business was funded by a capital contribution of €779.2 million from Zesko B.V. to ABC B.V. and term loans under the Senior Secured Credit Facilities of €1,325 million and the Mezzanine Credit Facilities of €525.0 million. We also incurred € 16.3 million of acquisition costs in relation to the acquisition of the @Home Business. The results of operations of the @Home Business are reflected in our consolidated financial statements only from the date of its acquisition. Accordingly, only the results of operations of the @Home Business for the eleven months ended December 31, 2007 are reflected in our audited consolidated financial statements for the year ended December 31, 2007. If the acquisition of the @Home Business had been consummated at the beginning of 2007, we estimate that our total revenues and EBITDA for the year ended December 31, 2007 would have increased by €48.9 million and €24.1 million, respectively.

During the year ended December 31, 2008, we acquired CAI Brunssum, a cable network, from Gemeente Brunssum for approximately €13.7 million in net cash consideration in January 2008. In May 2008, we also acquired from T-Mobile, a unit of Germany's Deutsche Telekom, the fixed-line cable broadband Internet business of Orange Nederland Breedband B.V. for a net cash consideration of approximately €15.3 million. We did not make any significant acquisitions during the year ended December 31, 2009.

Key Operating Measures

We use several key operating measures, including RGUs and ARPU, to track the performance of our business. Neither of these terms is a measure of financial performance under IFRS, nor have these measures been reviewed by an outside auditor, consultant or expert. Each of these measures is derived from management estimates. As defined by our management, these terms may not be comparable to similar terms used by other companies. See "Glossary of Selected Terms".

RGUs

We classify our customers based on our main subscription-based business activities. The following table sets forth our RGUs for our standard cable, digital television, broadband Internet and telephony businesses as of December 31, 2007, 2008 and 2009.

	As of December 31,			Year ended December 31,	
	2007	2008	2009	2008	2009
	(in thousands, except percentages)			(12 month average, in thousands)[(1)]	
Footprint					
Homes passed[(2)]	3,960	4,038	4,075		
RGUs					
Standard cable					
Non-bundle	3,277	2,992	2,490	3,108	2,738
All-in-1 bundle[(3)]	—	263	675	143	474
Total standard cable	3,277	3,255	3,165	3,252	3,212
Digital television[(4)]	812	1,124	1,552	988	1,347
Broadband Internet					
Non-bundle	1,353	1,112	774	1,236	929
All-in-1 bundle[(3)]	—	263	675	143	474
Total broadband Internet	1,353	1,375	1,449	1,380	1,403
Telephony					
Non-bundle	703	546	324	620	429
All-in-1 bundle[(3)]	—	263	675	143	474
Total telephony	703	809	999	764	903
Total RGUs	6,145	6,563	7,165	6,384	6,865
Total All-in-1 bundle subscribers[(3)]	—	263	675	143	474
Penetration					
Standard cable subscribers as % of homes passed[(5)]	85.3%	83.0%	80.2%		
Digital television as % of standard cable subscribers	24.8%	34.5%	49.0%		
All-in-1 bundle subscribers as % of standard cable subscribers[(3)]	—	8.1%	21.3%		

(1) 12 month average RGUs are the sum of the monthly average RGUs divided by 12 (the number of months used).

(2) We provide our services to customers directly over our network and over certain cable networks owned by third parties with whom we have entered into exclusive or non-exclusive agreements to provide our services over their networks. The table presents total homes passed and includes 120,000, 118,000 and 130,000 homes passed by third party cable networks as of December 31, 2007, 2008 and 2009, respectively.

(3) We first introduced our All-in-1 bundle in May 2008.

(4) Digital television RGUs equals the total number of standard cable subscribers who have activated smart cards as of the periods indicated. As a result, total digital television RGUs represents the number of subscribers who have access to our digital pay television services. In any given period, not all of these digital television RGUs will have purchased our digital pay television services. As of December 31, 2009, approximately 0.8 million of our total digital television RGUs subscribed to one or more of our digital pay television services.

(5) Standard cable subscribers as a percentage of homes passed is calculated by excluding homes passed by third party networks. Although we provide certain of our services over third party networks, we generally do not offer standard cable services over third party networks and our standard cable RGUs do not include subscribers in third party network areas.

Our total RGUs increased 9.2%, from 6.56 million as of December 31, 2008 to 7.17 million as of December 31, 2009, primarily due to an increasing number of our customers subscribing to more than one service. In particular, the number of subscribers to our All-in-1 bundle increased by 412,000 subscribers during the year ended December 31, 2009, from 263,000 subscribers as of December 31, 2008 to 675,000 subscribers as of December 31, 2009. The increase in total RGUs was partially offset by a small decrease in our overall customer base of 2.8%, from 3.26 million as of December 31, 2008 to 3.17 million as of December 31, 2009.

Our total broadband Internet RGUs increased 5.4%, from 1.38 million as of December 31, 2008 to 1.45 million as of December 31, 2009, an acceleration over the 1.6% increase in 2008, primarily due to our aggressive roll out of higher broadband Internet access speeds during the second half of 2009 the acceleration in the uptake of our All-in-1 bundle. Our telephony RGUs increased 23.5%, from 809,000 as of December 31, 2008 to 999,000 as of December 31, 2009, an acceleration over the 15.1% increase in 2008, primarily as a result of acceleration in the uptake of our All-in-1 bundle.

Our digital television RGUs, which represent the number of our standard video subscribers that had activated smart cards, increased 38.1%, from 1.12 million as of December 31, 2008 to 1.55 million as of December 31, 2009, compared to a 38.4% increase in 2008. The increase in digital television RGUs was primarily due to increased demand for digital cable service, improvements in our digital pay television content, including our interactive television services and high definition programming, and decreases in the cost of high definition televisions and digital receivers. As of December 31, 2009, 49.0% of our standard cable subscriber base had activated smart cards and, as a result, were able to access our digital pay television services. This is consistent with our business strategy, as customers who have migrated to digital have access to our digital pay television product range.

ARPU

ARPU is a measure we use to evaluate how effectively we are realizing potential revenues from customers. ARPU is calculated on a yearly basis by dividing total subscription related sales for the year excluding installation and carriage fees by the average number of subscribers served in the year and by the number of months in the year.

The following table sets forth the ARPU generated by the products and services we offer.

	For the year ended December 31,		
	2007	2008	2009
		(€)	
ARPU per month(1)			
Standard cable	12.63	12.94	13.15
Digital pay television(2)	5.97	6.09	5.75
Broadband Internet	21.13	21.35	20.80
Telephony subscription(3)	n.a.	6.02	6.42
Telephony usage(4)	n.a.	14.13	12.50
Total telephony(5)	20.39	n.a.	n.a.
All-in-1 bundle(6)	—	40.78	40.12
Blended ARPU(7)	25.40	28.60	29.93

(1) Operating data related to ARPU is presented in euro per month (excluding VAT) for the periods indicated.

(2) ARPU per month for our digital pay television services is calculated by dividing the digital pay television services revenue for the year by the average monthly digital television RGUs during the year and dividing by 12 (the number of months used). As described in note 2 in the RGU table above, digital television RGUs represent the number of subscribers who have activated smart cards and, as a result, can access our digital television services, and does not represent the number of subscribers that have purchased digital pay television services.

(3) ARPU from telephony subscription is calculated by dividing total telephony subscription revenues for the year by the average monthly non-bundle telephony RGUs and dividing by 12 (the number of months used). Data related to ARPU from telephony subscription is not available prior to 2008.

(4) ARPU from telephony usage is calculated by dividing total telephony usage revenues for the year by the average monthly total telephony RGUs and dividing by 12 (the number of months used). Data related to ARPU from telephony usage is not available for period prior to 2008.

(5) We began to report telephony subscription ARPU and telephony usage ARPU separately in 2008 when we introduced our All-in-1 bundle. Total telephony ARPU in 2007 is calculated by adding telephony subscription revenues and telephony usage revenues for the period and dividing by the average monthly telephony RGUs during 2007 and dividing by 12 (the number of months used).

(6) We first introduced our All-in-1 bundle in May 2008.

(7) Blended ARPU is calculated as the sum of total standard cable, digital pay television, broadband Internet, telephony and All-in-1 service revenue for the period divided by 12 (the number of months used) and divided by the period's average monthly total standard cable RGUs.

Blended ARPU across all of our products was €29.93 per month in the year ended December 31, 2009, up €1.33 from €28.60 in the year ended December 31, 2008. The increase in blended ARPU was primarily the result of an increase in the number of subscribers who purchased digital pay television services and an increase in the number of customers subscribing to our All-in-1 bundle. The number of subscribers to our All-in-1 bundle increased by 412,000 subscribers during the year ended December 31, 2009 from 263,000 subscribers as of December 31, 2008 to 675,000 subscribers as of December 31, 2009. Our subscribers who have activated smart cards increased from 1.12 million as of December 31, 2008 to 1.55 million as of December 31, 2009. The increase in blended ARPU was also the result of an increase of €0.27 per month in our standard cable service ARPU, which was caused by an increase in our standard cable subscription prices during the year ended December 31, 2009. The increase was partially offset by a decrease of €1.23 per month in our total telephony ARPU, which decreased primarily because of a decrease of €1.63 per month in telephony usage ARPU. The decrease in telephony usage was partially the result of an increase in the number of our subscribers who purchased to our telephony services as part of the All-in-1 bundle. Subscribers who purchase our telephony services as part of the All-in-1 bundle tend to have lower telephony usage rates than subscribers who purchase our telephony services independently and not as part of the All-in-1 bundle. The increase in blended ARPU was also partially offset by a decrease of € 0.34 per month in our digital pay television services ARPU.

Blended ARPU across all of our products was €28.60 per month in the year ended December 31, 2008, up €3.20 from €25.40 in the year ended December 31, 2007. The increase in blended ARPU was primarily the result of an increase in the number of subscribers who purchased digital pay television services and an increase in the number of customers subscribing to our All-in-1 bundle. We first introduced our All-in-1 bundle in May 2008 and, as a result of successful marketing campaigns, we had 263,000 All-in-1 bundle subscribers as of December 31, 2008. Our subscribers who have activated smart cards increased from 812,000 as of December 31, 2007 to 1.12 million as of December 31, 2008. The increase in blended ARPU was also the result of an increase of €0.31 per month in our standard cable service ARPU, which was caused by an increase in our standard cable subscription prices during the year ended December 31, 2008, and an increase of €0.22 per month in our broadband Internet ARPU, which was caused by an increase in the proportion of our broadband Internet subscribers choosing our premium, higher bandwidth service.

Presentation of our Results of Operations

We were formed in 2006 by the combination of the Casema Business and the Multikabel Business. On February 1, 2007, we acquired the @Home Business. The results of operations of the @Home Business are reflected in our consolidated financial statements only from the date of its acquisition. Accordingly, only the results of operations of the @Home Business for the eleven months ended December 31, 2007 are reflected in our audited consolidated financial statements for the year ended December 31, 2007. If the acquisition of the @Home Business had been consummated at the beginning of 2007, we estimate that our total revenues and EBITDA for the year ended December 31, 2007 would have increased by €48.9 million and € 24.1 million, respectively.

In addition, during the years ended December 31, 2007, 2008 and 2009, we made significant investments in the integration of our predecessor businesses. We incurred €25.6 million, €50.6 million and €47.1 million of integration operating expenses during the years ended December 31, 2007, 2008 and 2009, respectively. Integration operating expenditures include operating expenses incurred in connection with the integration of our predecessor businesses, including, among other things, consultancy fees related to the integration of our predecessor businesses, restructuring and redundancy costs, costs related to the launch and establishment of our single brand name “Ziggo” and costs related to the consolidation of office functions to our central office in Utrecht. Integration operating expenses have been allocated to the operating expense line items that we include in our annual accounts. The following table presents our operating expenses excluding any allocation of integration operating expenses for each of the years ended December 31, 2007, 2008 and 2009.

	For the year ended December 31,		
	2007	2008	2009
	(€ in thousands)		
Operating expenses:			
Personnel	160,831	154,103	156,227
Contracted work	56,907	54,291	63,682
Other expenses(1)	143,559	117,056(1)	113,488(1)

(1) Other expenses for the years ending December 31, 2008 and 2009 were reduced by €35.3 million and €50.8 million, respectively, as a result of a reclassification of costs of set-top boxes and materials used to connect customers to our network from other expenses to cost of goods sold. Other expenses for the year ended December 31, 2007 have not been adjusted for this reclassification.

Results of Operations

The following table sets forth, for the periods indicated, amounts relating to our results of operations, and such amounts as a percentage of total revenues:

	For the year ended December 31,					
	2007		2008		2009	
	€	%	€	%	€	%
	(€ in thousands)					
Standard cable subscription revenue	473,586	43.3%	482,575	39.0%	431,862	33.6%
Digital pay television services revenue	44,715	4.1%	72,255	5.8%	92,965	7.2%
Total video revenues	518,301	47.4%	554,829	44.8%	524,826	40.9%
Broadband Internet subscription revenue	313,409	28.7%	316,702	25.6%	231,925	18.1%
Telephony subscription revenue	—	—	44,816	3.6%	33,086	2.6%
Telephony usage revenue	—	—	129,446	10.5%	135,449	10.5%
Total telephony revenue	140,590	12.9%	174,262	14.1%	168,535	13.1%
All-in-1 bundles subscription revenue	—	—	70,140	5.7%	228,245	17.8%
Business services revenue	80,634	7.4%	84,942	6.9%	83,402	6.5%
Revenue from other sources	40,972	3.7%	37,738	3.0%	47,462	3.7%
Total revenues	1,093,906	100.0%	1,238,613	100.0%	1,284,395	100.0%
Cost of goods sold	(161,636)	14.8%	(236,112)	19.1%	(255,481)	19.9%
Personnel	(162,849)	14.9%	(156,447)	12.6%	(175,868)	13.7%
Contracted work	(56,907)	5.2%	(57,933)	4.7%	(80,980)	6.3%
Other expenses	(167,852)	15.3%	(161,666)	13.1%	(123,393)	9.6%
Depreciation and amortization	(494,597)	45.2%	(464,549)	37.5%	(477,240)	37.2%
Operating income	50,065	4.6%	161,906	13.1%	171,433	13.3%
Net financial income (expense)	(272,688)	24.9%	(462,357)	37.3%	(313,045)	24.4%
Share of the profit (loss) of associates	(8)	0.0%	—	—	—	—
Loss before income taxes	(222,631)	20.4%	(300,451)	24.3%	(141,612)	11.0%
Income tax benefit (expense)	60,694	5.5%	76,615	6.2%	36,111	2.8%
Net income (loss)	(161,937)	14.8%	(223,836)	18.1%	(105,501)	8.2%
Other financial information:						
EBITDA(1)	544,663	49.8%	626,455	50.6%	648,673	50.5%
Adjusted EBITDA(2)	570,293	52.1%	677,050	54.7%	695,815	54.2%

(1) EBITDA represents operating profit plus depreciation and amortization. Although EBITDA should not be considered a substitute measure for trading profit and net cash flow from operating activities, we believe that it provides useful information regarding our ability to meet future debt service requirements. The EBITDA measure presented may not be comparable to similarly titled measures used by other companies.

(2) Adjusted EBITDA refers to EBITDA, as adjusted to remove the effects of operating expenses incurred in connection with the integration of our predecessor businesses, which were €25.6 million, € 50.6 million and €47.1 million in the years ended December 31, 2007, 2008 and 2009, respectively.

Year Ended December 31, 2009 Compared to the Year Ended December 31, 2008

Total revenues. Total revenue consists of revenues earned from subscription fees and usage fees, from business services and from other sources. Total revenue increased €45.8 million, or 3.7%, to € 1,284.4 million for the year ended December 31, 2009 from € 1,238.6 million for the year ended December 31, 2008. This increase was primarily the result of an increase of €1.33 per month in blended ARPU, which increased primarily because of increased uptake of our All-in-1 bundle and an increase in the number of subscribers who purchased digital pay television services. The increase was partially offset by a decrease in our overall subscriber base of 2.8%.

Total video revenue. Total video revenue includes revenue from sales of subscriptions to our standard cable service (excluding sales to subscribers who receive our standard cable service as part of the All-in-1 bundle) and revenue from sales of digital pay television services. Total video revenue decreased €30.0 million, or 5.4%, to €524.8 million for the year ended December 31, 2009 from €554.8 million for the year ended December 31, 2008. This decrease was primarily the result of a decrease in standard cable subscription revenues of €50.7 million, which was primarily caused by a shift in our subscriber base from individual services to the All-in-1 bundle. The decrease was partially offset by an increase of €20.7 in digital pay television services revenue. This increase in digital pay television services revenue was primarily the result of an increase in the number of our subscribers with access to our digital pay television services. The percentage of our total subscriber base that had activated smart cards increased from 34.5% as of December 31, 2008 to 49.0% as of December 31, 2009. Only subscribers who have activated smart cards are able to purchase our digital pay television services. The decrease in total video revenue was also partially offset by an increase of €0.21 per month in our standard cable ARPU, which increased as a result of an increase in the price we charge for standard cable subscriptions during the year ended December 31, 2009. Primarily as a result of the increasing popularity of the All-in-1 bundle, the number of subscribers who receive our standard cable service outside of the All-in-1 bundle decreased from 2.99 million as of December 31, 2008 to 2.49 million as of December 31, 2009.

Broadband Internet revenue. Broadband Internet revenues include revenues from sales of subscriptions to our broadband Internet service (excluding sales to subscribers who receive our broadband Internet service as part of the All-in-1 bundle). Broadband Internet revenue decreased € 84.8 million, or 26.8%, to €231.9 million for the year ended December 31, 2009 from €316.7 million for the year ended December 31, 2008. This decrease was primarily caused by a shift in our subscriber base from individual services to the All-in-1 bundle. The decrease was also partially the result of a decrease in broadband Internet ARPU during the period of €0.55 per month.

Telephony services revenue. Telephony services revenue includes revenue from sales of subscriptions to our telephony services (excluding sales to subscribers who receive our telephony service as part of the All-in-1 bundle) and revenue from telephony usage fees. Telephony services revenue decreased €11.7 million to €33.1 million in the year ended December 31, 2009 from €44.8 million in the prior year. This decrease was primarily caused by a decrease in telephony subscribers from 546,000 as of December 31, 2008 to 324,000 as of December 31, 2009. Telephony usage revenue increased €6.0 million to €135.4 million for the year ended December 31, 2009 from €129.4 million in the year ended December 31, 2008. This increase was primarily the result of an increase in our total telephony RGUs to 999,000 as of December 31, 2009 from 809,000 as of December 31, 2008. Total telephony services revenue decreased €5.7 million, or 3.3%, to €168.5 million for the year ended December 31, 2009 from €174.3 million for the year ended December 31, 2008. This decrease was partially caused by a shift in our subscriber base from individual services to the All-in-1 bundle. The decrease was partially offset by an increase in telephony usage revenues.

Bundle subscription revenue. Bundle subscription revenue includes revenue from sales of subscriptions to our All-in-1 bundle. Bundle subscription revenue increased €158.1 to €228.2 million in the year ended December 31, 2009 from €70.1 million in the year ended December 31, 2008. This increase was primarily the result of an increase in our total number of bundle subscribers, from 263,000 as of December 31, 2008 to 675,000 as of December 31, 2009. The increase was partially offset by a decrease in bundle ARPU, which decreased €0.66 per month, from €40.78 for the year ended December 31, 2008 to €40.12 for the year ended December 31, 2009.

Business services revenue. Revenue from our business services includes sales of our voice and Internet access services to our business customers, as well as sales of our video services to operators of multi-dwelling units, including hospitals, hotels and dormitories, where it is not possible for us to contract directly with the user. Business services revenue decreased € 1.5 million, or 1.8%, to €83.4 million in the year ended December 31, 2009 from €84.9 million for the year ended December 31, 2008. This decrease was primarily the result of the reclassification of certain business customers to residential.

Other revenues. Revenue from other sources is primarily comprised of re-connection fees, other initial fees such as smart card fees and the sale of goods, including set-top boxes. Revenue from other sources increased € 9.7 million, or 25.8%, to €47.5 million for the year ended December 31, 2009 from €37.7 million for the year ended December 31, 2008. This increase was primarily the result of a reclassification in 2009 of €4.1 million of call center fees, which had previously been deducted from expenses, to revenue from other sources. This increase was also the result of increased sales of set-top boxes during 2009. In particular, we began selling interactive television receivers during the second half of 2009, and sold approximately 50,000 interactive television receivers during that period. We re-sell interactive television receivers for substantially higher prices than digital and high definition receivers.

Cost of goods sold. Cost of goods sold include the costs for purchases of materials and services directly related to revenues and consists of video (author rights, signal costs and royalties that we pay to procure our content), telephony (interconnection fees that we pay to other network operators), Internet (Internet service provider fees) and other (materials and logistics costs relating to the sale of set-top boxes and materials used to connect customers to our network). Cost of goods sold increased € 19.4 million, or 8.2%, to €255.5 million for the year ended December 31, 2009 from €236.1 million for the year ended December 31, 2008. This increase was primarily caused by higher sales of set-top boxes and, in particular, sales of premium interactive set-top boxes that are more expensive to source than basic digital set-top boxes. The cost of set-top boxes increased €15.5 million to €50.8 million in the year ended December 31, 2009, compared to €35.3 million in the year ended December 31, 2008. Our costs of goods sold may continue to increase in future periods if our sales of premium television receivers continues to increase. The increase was also the result of an increase of €19.6 million in the signal costs and royalties that we paid for content procurement during 2009, which increased primarily because of an increase in sales of our pay television services. Cost of goods sold as a percentage of revenues increased from 19.1% for the year ended December 31, 2008 to 19.9% for the year ended December 31, 2009. This increase was primarily the result of an increase in sales of set-top boxes, which have a lower gross margin than sales of our other products and services.

Personnel expenses. Personnel expenses include wages and salaries, social security costs, pension costs and other post-employment benefits and the cost of temporary external personnel. Personnel expenses increased € 19.4 million, or 12.4%, to €175.9 million for the year ended December 31, 2009 from €156.4 million for the year ended December 31, 2008. Approximately €17.3 million of the € 19.4 million increase was attributable to the allocation of integration operating expenses. The higher allocation of integration operating expenses during 2009 was the result of payments made pursuant to social plans for employees who left the company in connection with the merger of our predecessor businesses.

Personnel expenses excluding allocation of integration operating expenses increased €2.1 million, or 1.4%, to €156.2 million in the year ended December 31, 2009 from €154.1 million in the year ended December 31, 2008. During 2007 and 2008, a significant number of our employees resigned as we consolidated our predecessor businesses to new offices that were impractical for some of our employees. We have since taken steps to hire additional personnel and as of December 31, 2009, we employed 2,257 internal full-time staff, compared to 1,916 internal full-time staff employed as of December 31, 2008. We believe that our current personnel levels are adequate and we do not expect to increase our personnel levels significantly in the near future. The increase in full-time personnel costs was partially offset by a decrease in external personnel costs.

Contracted work. Contracted work expenses include the costs of outsourced work, which primarily relates to outsourced network maintenance, amounts paid to operators of external call centers that we use and the cost of other outsourced work. Contracted work expense increased €23.0 million, or 39.8%, to €81.0 million for the year ended December 31, 2009 from €57.9 million for the year ended December 31, 2008. Approximately €13.7 million of the €23.0 million increase was the result of higher allocation of integration operating expenses to contracted work expense in the year ended December 31, 2009 compared to the prior year.

Contracted work expenses excluding allocation of integration operating expenses increased €9.4 million, or 17.3%, to €63.7 million in the year ended December 31, 2009 from €54.3 million in the year ended December 31, 2008. The increase in contracted work expense was also the result of increased amounts paid to operators of external call centers during 2009, which was caused by higher than expected customer call volume during 2009 due to the roll out of 120 Mbps broadband Internet speeds and the introduction of our interactive digital television services.

Other expenses. Other expenses include materials and logistics costs, marketing and sales expenses, office expenses and other operating expenses. Other expenses decreased €38.3 million, or 23.7%, to € 123.4 million for the year ended December 31, 2009 from € 161.7 million for the year ended December 31, 2008. Approximately €35 million of the €38.3 million decrease was attributable to the allocation of integration operating expenses. Other expenses excluding allocation of integration operating expenses decreased €3.6 million, or 3.0%, to €113.5 million in the year ended December 31, 2009 from €117.1 million in the year ended December 31, 2008. The decrease in other expenses was also the result of a decrease in marketing and sales expense and other operating expenses during 2009.

Depreciation and amortization. Depreciation and amortization expenses relate to the depreciation and amortization of our property, plant and equipment and intangible assets over their useful lives. Depreciation and amortization increased €12.7 million, or 2.7%, to €477.2 million for the year ended December 31, 2009 from €464.5 million for the year ended December 31, 2008. This increase was primarily due to our investments in EuroDocsis 3.0 network technologies during 2008 and 2009, which are depreciated over five year periods rather than 10 to 20 year periods, which are the typical useful lives for cable network capital investments. The increase was also the result of continued investments in our customer resource management, accounting and office information technology systems since our acquisition of the @Home Business on February 1, 2007, which are generally depreciated over a shorter useful life than our other capital investments. Amortization for the year ended December 31, 2009 primarily relates to amortization of €180.9 million on capitalized customer lists. Customer lists have been capitalized as a result of acquisition accounting applied to business combinations.

Net financial expense. Net financial income includes interest income less interest expense, fair value gains and losses on derivative financial instruments and commitment fees. Net financial expense decreased € 149.3 million, or 32.3%, to an expense of €313.0 million for the year ended December 31, 2009 from an expense of €462.4 million for the year ended December 31, 2008. The decrease in net financial expense was primarily the result of a fair value gain of €8.1 million on our interest rate swap derivatives during the year ended December 31, 2009, compared to a fair value loss of €124.6 million on our interest rate swap derivatives during the year ended December 31, 2008. As of January 1, 2009, we began applying hedge accounting to our interest rate swaps. As a result of this change in accounting method, we recognized the one-off fair value gain of €8.1 million referred to above. Under hedge accounting principles, changes in the fair value of our interest rate swaps are accounted for as a component of our comprehensive income.

Income tax benefit. Income tax benefit decreased €40.5 million, or 52.9%, to €36.1 million for the year ended December 31, 2009 from a benefit of €76.6 million for the year ended December 31, 2008. This decrease was primarily the result of a lower net loss in the year ended December 31, 2009.

Net loss. As a result of the foregoing, net loss decreased € 118.3 million to a loss of €105.5 million for the year ended December 31, 2009 from a loss of €223.8 million for the year ended December 31, 2008.

Year Ended December 31, 2008 Compared to the Year Ended December 31, 2007

Total revenues. Total revenues increased €144.7 million, or 13.2%, to €1,238.6 million for the year ended December 31, 2008 from €1,093.9 million for the year ended December 31, 2007. This increase was primarily the result of an increase of €3.20 per month in blended ARPU, which increased primarily because of increased uptake of our bundled products such as All-in-1. The increase was partially attributable to the fact that our results for the year ended December 31, 2007 only include the results of operations for the @Home Business from the date of its acquisition on February 1, 2007. The increase was partially offset by a decrease in our overall subscriber base of 0.6%.

Total video revenue. Total video revenue increased €36.5 million, or 7.0%, to €554.8 million for the year ended December 31, 2008 from €518.3 million for the year ended December 31, 2007. This increase was primarily the result of an increase in digital pay television revenues of €27.5 million. This increase in digital pay television services revenue was primarily the result of an increase in the number of our subscribers with access to our digital pay television services. The percentage of our total subscriber base that had activated smart cards increased from 24.8% as of December 31, 2007 to 34.5% as of December 31, 2008. The increase was also the result of an increase of €0.31 per month in standard cable ARPU, which increased as a result of increases in the price we charge for our standard cable service during the year ended December 31, 2008. The increase was partially offset by a shift in our subscriber base from individual services to the All-in-1 bundle, which was introduced in May 2008. Primarily as a result of the introduction of the All-in-1 bundle, the number of subscribers who receive our standard cable service outside of the All-in-1 bundle decreased from 3.28 million as of December 31, 2007 to 2.99 million as of December 31, 2008.

Broadband Internet revenue. Broadband Internet revenue increased € 3.3 million, or 1.1%, to €316.7 million for the year ended December 31, 2008 from €313.4 million for the year ended December 31, 2007. This increase was primarily the result of an increase of €0.22 per month in broadband Internet ARPU during 2008, offset by a shift in our subscriber base from individual services to the All-in-1 bundle.

Telephony services revenue. Telephony services revenue increased € 33.7 million, or 24.0%, to €174.3 million for the year ended December 31, 2008 from €140.6 million for the year ended December 31, 2007. This increase was primarily caused by an increase in telephony usage fees from All-in-1 bundle subscribers. The increase was partially offset by a decrease in telephony subscription fees caused by the shift in our subscriber base from individual services to the All-in-1 bundle.

Bundle subscription revenue. We first introduced our All-in-1 bundle in May 2008. Revenue from subscriptions to our All-in-1 bundle was € 70.1 million for the year ended December 31, 2008 and we had 263,000 All-in-1 bundle subscribers as of December 31, 2008. Bundle ARPU was €40.78 for the year ended December 31, 2008.

Business services. Business services revenue increased €4.3 million, or 5.3%, to €84.9 million for the year ended December 31, 2008 from €80.6 million for the year ended December 31, 2007.

Other sources. Revenue from other sources decreased €3.2 million, or 7.9%, to €37.7 million for the year ended December 31, 2008 from €41.0 million for the year ended December 31, 2007.

Cost of goods sold. Cost of goods sold increased €74.5 million, or 46.1%, to €236.1 million for the year ended December 31, 2008 from €161.6 million for the year ended December 31, 2007. This increase was primarily the result of a change in accounting treatment. Costs of set-top boxes and materials used to connect customers to our network are accounted for as cost of goods sold in our 2008 and 2009 results of operations but are accounted for as materials and logistics costs (included in other expenses) in our 2007 results of operations. This change in accounting treatment accounts for €35.3 million of the increase in cost of goods sold during the year ended December 31, 2008 compared to 2007. Excluding the effect of the reclassification of the costs of set-top boxes in our results for the year ended December 31, 2008, cost of goods sold as a percentage of revenues increased from 14.8% for the year ended December 31, 2007 to 16.2% for the year ended December 31, 2008. This increase was primarily the result of an increase in sales of digital pay television services, for which content costs represent a high proportion of sales. Cost of goods sold also increased due to increases of €21.4 million in signal costs and royalty payments, which increased primarily because of an increase in sales of our digital pay television services, and increases in interconnection fees of €10.5 million in our telephony services business and €4.5 million in our business services during the year ended December 31, 2008. The increase in interconnection fees during 2008 was a result of increases in the number of interconnections we made with other networks due to increases in subscriber use of our Internet and telephony services.

Personnel expenses. Personnel expenses decreased €6.4 million, or 3.9%, to €156.4 million for the year ended December 31, 2008 from €162.8 million for the year ended December 31, 2007. Approximately €2.0 million and

€2.3 million in integration operating expenses were allocated to personnel expenses during the years ended December 31, 2007 and 2008, respectively. The decrease in personnel expenses was primarily the result of a decrease in full-time and external personnel. As of December 31, 2008, we employed 1,916 internal full-time staff, compared to 2,121 internal full-time staff as of December 31, 2007.

Contracted work. Contracted work expense increased €1.0 million, or 1.8%, to €57.9 million for the year ended December 31, 2008 from €56.9 million for the year ended December 31, 2007. Approximately €3.6 million in integration operating expenses were allocated to contracted work expense during the year ended December 31, 2008. Excluding the allocation of integration expenses, contracted work expenses would have decreased €2.6 million in the year ended December 31, 2008 compared to the prior year. This decrease was primarily the result of a decrease of €2.5 million in outsourced work expense during 2008, which decreased as a result of insourcing certain network maintenance functions in 2008.

Other expenses. Other expenses decreased €6.2 million, or 3.7%, to €161.7 million for the year ended December 31, 2008 from €167.9 million for the year ended December 31, 2007. This decrease was primarily the result of the change in accounting for costs of set-top boxes and materials used to connect customers to our network that is described above. The decrease was partially offset by an increase of € 10.8 million in office expense during the year ended December 31, 2008.

Depreciation and amortization. Depreciation and amortization decreased €30.1 million, or 6.1%, to €464.5 million for the year ended December 31, 2008 from €494.6 million for the year ended December 31, 2007. This increase was primarily the result of a change in accounting treatment. Amortization of our capitalized funding costs is accounted for as net financial income and expense in our 2008 and 2009 results of operations but is included in amortization expenses in our 2007 results of operations.

Net financial expense. Net financial expense increased €189.7 million to an expense of €462.4 million for the year ended December 31, 2008 from an expense of €272.7 million for the year ended December 31, 2007. This increase in net financial expense was primarily the result of fair value losses of €124.6 million on our interest rate swap derivatives during the year ended December 31, 2008, compared to a fair value gain of €34.4 million on our interest rate swap derivatives during the prior year period.

Income tax benefit. Income tax benefit increased €15.9 million, or 26.2%, to €76.6 million for the year ended December 31, 2008 from €60.7 million for the year ended December 31, 2007. This increase was primarily the result of a higher net loss in the year ended December 31, 2008.

Net loss. As a result of the foregoing, net loss increased € 61.9 million to a loss of €223.8 million for the year ended December 31, 2008 from a loss of €161.9 million for the year ended December 31, 2007.

EBITDA and Adjusted EBITDA

EBITDA increased €22.2 million, or 3.5%, to €648.7 million for the year ended December 31, 2009 from €626.5 million for the year ended December 31, 2008. Adjusted EBITDA increased €18.8 million, or 2.8%, to €695.8 million for the year ended December 31, 2009 from €677.1 million for the year ended December 31, 2008. Adjusted EBITDA refers to EBITDA, as adjusted to remove the effects of operating expenses incurred in connection with the integration of our predecessor businesses, which were €25.6 million, €50.6 million and €47.1 million in the years ended December 31, 2007, 2008 and 2009, respectively. We expect to incur significantly lower integration operating expenses during 2010 than in prior years we do not expect to incur any integration operating expenses in 2011 or beyond. In addition, if the acquisition of the @Home Business had been consummated at the beginning of 2007, we estimate that our EBITDA for the year ended December 31, 2007 would have increased by €24.1 million.

Adjusted EBITDA margin was 52.1%, 54.7% and 54.2% in the years ended December 31, 2007, 2008 and 2009, respectively.

Liquidity and Capital Resources

We maintain cash and cash equivalents to fund the day-to-day requirements of our business. We hold cash primarily in euro. Historically, we have relied primarily upon bank borrowings under the Mezzanine Credit Facilities and Senior Secured Credit Facilities and cash flow from operations to provide funds required for acquisitions and operations.

Our principal source of liquidity on an on-going basis has been our operating cash flows. The proceeds from the Offering will be used to refinance the Mezzanine Credit Facilities and pay the fees and related expenses associated with the Offering and the amendment of the Senior Credit Agreement. Our ability to generate cash from our operations will depend on our future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond our control.

In addition to the Term Loans under the Senior Secured Credit Facilities and the Mezzanine Credit Facilities, as of December 31, 2009, we also had €150 million of drawing capacity under the Revolving Credit Facility under the Senior Secured Credit Facilities and €250 million of drawing capacity under the Capital Expenditure Facility under the Revolving Credit Facilities. See "Description of Other Indebtedness—Senior Secured Credit Facilities". During the year ended December 31, 2009, there were no drawings under these facilities and we do not expect to rely on them as sources of working capital in the future.

The Issuer is a holding company that conducts no business operations of its own and has no significant assets other than the shares it holds in its direct subsidiaries and its claims under certain intercompany loans. Repayment of our indebtedness, including under the Notes, is dependent on the ability of our subsidiaries to make such cash available to us, by dividend distributions, debt repayment, loans or otherwise. Our subsidiaries may not be able to, or may be restricted by the terms of their existing or future indebtedness, including the terms of the Amended Senior Credit Agreement, or by law, in their ability to make distributions or advance upstream loans to enable us to make payments in respect of our indebtedness, including the Notes. Each subsidiary of ours is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries.

Overview of Financing Instruments Following the Refinancing

As of December 31, 2009, we had €65.3 million in cash and cash equivalents and €1,159.4 million of outstanding indebtedness under the Mezzanine Credit Facilities (including capitalized and accrued interest), which we expect to repay in full pursuant to the Refinancing. Our interest expense for the year ended December 31, 2009 was €301.2 million.

Following the Refinancing, we expect our indebtedness to consist of the following:

- €1,208.85 million aggregate principal amount of Notes offered hereby; and
- €2,655.3 million outstanding as of December 31, 2009 under the Senior Secured Credit Facilities.

For additional information regarding the Notes, see "Description of the Notes" and for additional information regarding the Senior Secured Credit Facilities, see "Description of Other Indebtedness—Senior Secured Credit Facilities".

We believe that our operating cash flows, together with future borrowings, to the extent required, under the Senior Secured Credit Facilities, will be sufficient to fund our working capital requirements, anticipated capital expenditures and debt service requirements as they become due.

We may in the future acquire Notes in open market purchases, individually negotiated transactions or otherwise.

Cash Flow

The table below summarizes our consolidated cash flow for the years ended December 31, 2007, 2008 and 2009.

	For the year ended December 31,		
	2007	**2008**	**2009**
		(in € thousands) **(audited)**	
Cash flow from operating activities	581,442	603,836	687,709
Cash flow from (used in) investing activities	(1,771,335)	(278,093)	(253,571)
Cash flow from (used in) financing activities	1,247,994	(401,701)	(411,403)
Net increase (decrease) in cash and cash equivalents	58,101	(75,958)	22,730

Cash flow from operating activities. Cash flow from operating activities increased by €83.9 million from a cash inflow of € 603.8 million in the year ended December 31, 2008 to a cash inflow of €687.7 million in the year ended December 31, 2009. This increase was primarily driven by an increase in operating profit and an increase in the trade accounts payable balance of €42.7 million from € 60.2 million at December 31, 2008 to €103.0 million at December 31, 2009. The increase in trade accounts payable was primarily the result of our decision to expend a portion of our budgeted 2010 capital expenditures during the latter months of 2009. The increase was partially offset by a €5.1 million decrease in the balance of trade accounts receivable as of December 31, 2009 compared to December 31, 2008.

Cash flow from operating activities increased €22.4 million from a cash inflow of €581.4 million in the year ended December 31, 2007 to a cash inflow of €603.8 million in the year ended December 31, 2008. This increase was primarily driven by an increase in operating profit, partially offset by a decrease in depreciation expense during the year ended December 31, 2008 compared to the prior year, a decrease in working capital at December 31, 2008 compared to December 31, 2007. The increase was also partially offset by a decrease in our provisions for restructuring and legal liabilities during the year ended December 31, 2008, which were the result of restructuring payments made during the year ended December 31, 2008 and a favorable court decision related to restrictions on the prices that we charge for our standard cable services in the municipality of Leiden.

Cash flow used in investing activities. Cash flow used in investing activities was a net outflow of €253.6 million in the year ended December 31, 2009, which consisted primarily of capital expenditures of €251.7 million in the year ended December 31, 2009.

Cash flow used in investing activities was a net outflow of €278.1 million in the year ended December 31, 2008, which consisted primarily of capital expenditures of €271.6 million, which includes net cash consideration paid to acquire CAI Brunssum and the fixed-line broadband Internet business of Orange Netherlands. The net outflow was partially offset by interest received of €3.5 million and proceeds from divestments of €1.9 million.

Cash flow used in investing activities was a net outflow of € 1,771.3 million in the year ended December 31, 2007, which consisted primarily of the net cash consideration of €1,567.0 million paid to acquire the @Home Business on February 1, 2007 and capital expenditures of €222.9 million. The net outflow was partially offset by interest received of €16.1 million.

For additional information on our capital expenditures, see "—Capital Expenditure and Investments".

Cash flow from (used in) financing activities. Cash flow used in financing activities was a net outflow of €411.4 million in the year ended December 31, 2009, which consisted primarily of interest paid of €251.0 million and the prepayment of the Term Loan A Facility in the amount of €160.0 million.

Cash flow used in financing activities was a net outflow of €401.7 million in the year ended December 31, 2008, which consisted primarily of interest paid of €272.4 million and a repayment of €128.9 million under the Term Loan A Facility.

Cash flow from financing activities was an inflow €1,248.0 million in the year ended December 31, 2007, which consisted primarily of a cash inflow of €1,772.6 million as a result of additional borrowings under the Senior Secured Credit Facilities and a €779.2 million capital contribution from Zesko B.V., which were partially offset by € 999.8 million in repayments of loans owed to the parent company of the @Home Business and interest payments of €304.0 million. These additional borrowings were incurred to fund the net cash consideration of €1,567.0 million paid to acquire the @Home Business on February 1, 2007.

Contractual Obligations

The following table summarizes the financial payments that we will be obligated to make including under our debt instruments as of December 31, 2009 on an as adjusted basis after giving effect to the Refinancing. The information presented in the table below reflects management's estimates of the contractual maturities of our obligations. These maturities may differ significantly from the actual maturity of these obligations.

	Expected cash payments falling due			
	Total	**2010**	**2011-2014**	**2015 and thereafter**
		(€ in thousands)		
Contractual obligations				
Building leases	61,607	8,106	32,948	20,553
Other leases[(1)]	18,564	6,436	12,128	—
Long-term debt obligations	3,864,100	—	1,305,250	2,558,850

(1) Includes leases of office equipment and vehicles and various maintenance and support contracts primarily relating to maintenance and support of network equipment.

We have obligations under defined benefit and defined contribution pension schemes. Our cash outflow from these obligations will vary with a number of factors.

Capital Expenditure and Investments

Our capital expenditure and investments relate primarily to extending, upgrading and maintaining our network, installation and in-home wiring for new customers and the cost of cable modems. Capital expenditure also includes increases in intangible assets (except our customer list) and do not include financial assets. As part of our strategy to focus capital investments on improving returns, we have instituted measures to ensure the most efficient uses of capital investment. We intend to manage capital expenditures to maintain our well-invested asset base. Our board of directors will review all existing capital expenditure programs, and will review and approve all future programs.

The table below sets forth our capital expenditure and our capital expenditure ratio (as defined below) for the years ended December 31, 2007, 2008 and 2009.

	For the year ended December 31,		
	2007[1]	2008	2009
	(€ in thousands, except percentages)		
Capital Expenditures:			
Integration capital expenditure[2]	34,892	66,051	42,262
Non-Integration capital expenditure	187,986	172,291	208,022
Acquisition capital expenditure	—	33,260	1,445
Total capital expenditure	222,878	271,601	251,729
Capital expenditure ratio[3]	17.2%	13.9%	16.2%

(1) Excludes capital expenditures of the @Home Business prior to its acquisition on February 1, 2007.

(2) Integration capital expenditure is capital expenditures related to the integration of the predecessor businesses.

(3) Capital expenditure ratio represents non-integration capital expenditure as a percentage of total revenue.

In the year ended December 31, 2009, total capital expenditures were €251.7 million, of which approximately €42.3 million was integration capital expenditure. We expect to incur approximately €25.4 million in integration capital expenditure in 2010 and do not expect to incur any integration capital expenditure in 2011 or beyond. Non-integration capital expenditures increased €35.7 million to €208.0 million in the year ended December 31, 2009 from €172.3 million in the year ended December 31, 2008. The increase in non-integration capital expenditures was primarily the result of increased investment in our network capacity necessary for our roll out of 120 Mbps broadband Internet service in selected cities within our network area. The increase was also the result of our decision to expend a portion of our budgeted 2010 capital expenditures during the latter months of 2009.

In the year ended December 31, 2008, total capital expenditures were €271.6 million, of which approximately €66.1 million was integration capital expenditure. In the year ended December 31, 2007, total capital expenditures were approximately €222.9 million, of which approximately €34.9 million was integration capital expenditure. Non-integration capital expenditures decreased €15.7 million to €172.3 million in the year ended December 31, 2008 from €188.0 million in the year ended December 31, 2007.

Over the next several years, we expect that between approximately 65% and 75% of our non-integration capital expenditures will be success-based. Success-based capital expenditure include capital expenditure related to the expansion of our network footprint to additional homes, the provision of modems to new subscribers and existing subscribers if their current modems cannot deliver advertised speeds, expanding network capacity and new product and service development. Success-based capital expenditure also includes expenditure incurred in connecting business customers to our network either via hybrid fiber coaxial lines or selectively via fiber only connections. Success-based capital expenditures does not include maintenance capital expenditure.

Off-Balance Sheet Arrangements

We are not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on our financial condition, results of operations, liquidity, capital expenditure or capital resources, except with respect to our interest rate hedging.

Quantitative and Qualitative Disclosures about Market Risk

In the ordinary course of our business, we are exposed to market risk arising from fluctuations in interest rates. To manage this risk effectively, we have in the past and expect to continue to enter into hedging transactions and use derivative financial instruments, pursuant to established internal guidelines and policies, to mitigate the adverse effects of this risk. We do not enter into financial instruments for trading or speculative purposes.

We utilize interest rate swaps to reduce our exposure to changes in the variable EURIBOR rates on our outstanding loan portfolio of € 3,814.6 million as of December 31, 2009. As of December 31, 2009, we were party to interest rate swap agreements with a total notional amount of €2,838.0 million whereby we have agreed to pay a fixed rate (between 3.55% and 3.84%) and will receive a variable rate equal to EURIBOR on the notional amount. The notional amounts of the interest rate swaps will be reduced in line with the repayment schedule on our loan portfolio. The fair value of our interest rate swaps as of December 31, 2009 was a negative €102.3 million. Changes in the fair value of our interest rate swaps are recorded in our consolidated income statement as net financial income and expense. We intend to reduce effective notional swaps to maintain a similar interest rate risk profile following the Refinancing.

Substantially all of our revenues, expenses and obligations are denominated in euro. As a result, we are not subject to material market risk relating to exchange rate fluctuations.

Critical Accounting Estimates

Our financial information included in this offering memorandum has been prepared and presented in accordance with IFRS. See "Presentation of Financial and Other Information and Certain Definitions" and the notes to the audited financial statements elsewhere in this offering memorandum.

The preparation of financial statements requires our management to make a number of estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, of revenues and expenses and the disclosure of contingent assets and liabilities. All assumptions, expectations and forecasts used as a basis for certain estimates within these consolidated financial statements represent good-faith assessments of our future performance for which our management believes there is a reasonable basis.

These estimates and assumptions represent our view at the times they are made, and only then. They involve risks, uncertainties and other factors that could cause our actual future results, performance and achievements to differ materially from those forecasted. The estimates and assumptions that may have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. We have discussed the development and selection of these critical accounting policies and estimates with our independent auditors.

Purchase Price Allocation

We applied purchase price allocation in accordance with IFRS 3 Business Combinations in several past acquisitions. The fair values allocated to the individual identified assets are based on management's estimates of the replacement value of the assets. The intangibles are valued using management's estimates of our future cash flows and operating results.

Impairment of Goodwill

We determine whether goodwill is impaired at least on an annual basis. This requires an estimation of the "value in use" of the cash-generating units to which the goodwill is allocated. Estimating a value in use requires management to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

INDUSTRY AND MARKET OVERVIEW

The Netherlands

We operate our cable business in the Netherlands, which has a population of approximately 16.6 million and contains approximately 7.3 million households. The Netherlands constitutes the sixth largest economy in Europe as measured by GDP, and per capita GDP in the Netherlands stands at € 34,000, third highest in the European Union and ninth highest worldwide, according to the International Monetary Fund, World Economic Database, October 2009.

The Netherlands is the second most densely populated country in the European Union, with an average of 486 inhabitants per square kilometer. High population density reduces the overall cost associated with the deployment, operation and maintenance of cable infrastructure and allows for more efficient marketing. Cable operators that operate in urban areas with high population density benefit from easier access to customers and more cost effective network upgrades and maintenance.

Industry Convergence

The Dutch media and telecommunications market has been converging as customers are increasingly seeking to receive their media and communications services from one provider at attractive prices. In response, service providers are providing television, broadband Internet access and fixed-line telephony services bundled into integrated offerings referred to as “double-play” (two of the three services provided together) or “triple-play” (all three services provided together). Offering bundled services allows media and telecommunications service providers to meet customers’ communication and entertainment requirements and, we believe, increases customer loyalty and lowers customer churn rates. According to OPTA, as of June 30, 2009, approximately 69.9% of Dutch households subscribed to bundled services. With respect to triple-play bundled services, OPTA estimates that Ziggo holds approximately a 40-50% share of the Dutch triple-play market, with the second and third leading providers, UPC and KPN, holding approximately 20-30% and 10-20% market shares, respectively.

Among the most important factors considered by consumers when purchasing a triple-play bundle are the quality of television services and broadband Internet speeds. Cable operators, whose networks can generally provide more bandwidth for bundled offerings than other technologies that are currently widely available, are particularly well positioned to benefit from convergence trends in the industry. The largest cable operators, Ziggo and UPC, have also taken increasing advantage of opportunities to up-sell broadband Internet access, telephony and digital pay television services to their substantial existing standard cable television customer bases (i.e., such cable operators induce their existing customers to purchase additional products).

According to Screen Digest, the size of the Dutch subscription television market in 2009 was approximately €1.2 billion. According to the Gartner reports, the combined fixed-line telephony and broadband Internet market in the Netherlands was approximately €6.0 billion in 2009, of which approximately €2.9 billion was in the business to business segment. The combined broadband Internet and fixed-line telephony market therefore offers an opportunity substantially greater in size than the television subscription market on which cable operators have traditionally focused.

In the Dutch telecommunications market, there are two major distribution access platforms through which triple-play services are most commonly provided: the cable networks of Ziggo and UPC and the DSL-based network of KPN. Bi-directional cable networks are particularly well suited for the provision of triple-play services with high bandwidth requirements due to their network characteristics. As they were originally designed for transmission of large amounts of data, cable networks are able to deliver consistent speeds irrespective of the distance to the customer, unlike other distribution platforms. In Europe, cable network operators are currently in the process of upgrading their network technology to EuroDocsis 3.0, a telecommunications standard that allows such operators to provide Internet access over their existing hybrid fiber coaxial, or HFC, infrastructure. As a result of this upgrade, cable operators can offer substantially faster Internet access speeds than DSL operators. The new EuroDocsis 3.0 technology currently allows cable to produce speed levels that cannot currently be matched by DSL, at least not without deep fiber deployment or only at comparatively far less attractive economics.

DSL-based competitors such as KPN will need to upgrade their respective infrastructures to at least ADSL2+ and preferably VDSL to offer integrated triple-play services at a quality level that some argue may approach that of cable operators. In 2009, KPN began to roll out VDSL across its network, which is due to be completed during 2010. We believe, however, that VDSL is significantly limited in its capacity to provide the overall level of quality that cable can provide, in particular with respect to Internet access. DSL, including VDSL, is a very distance sensitive medium, with speeds dropping off substantially as distance from DSL hubs increases. Furthermore, adding television services to a DSL network puts significant strain on the network, whereas the provision of triple-play services does not strain cable networks in the same way due to their greater frequency bandwidth. Under currently available technology, DSL based triple-play providers such as KPN cannot provide bundles of comparable quality to those provided over cable networks without making significant investments in extending fiber closer to the subscriber's home.

To overcome the restraints presented by its current DSL network, KPN has begun to roll out fiber-to-the-home networks. As of December 31, 2009, KPN had approximately 500,000 homes passed by fiber-to-the-home networks. KPN has announced its intention to expand its fiber-to-the-home networks so that 1.1 to 1.3 million homes are passed by 2012, with 600,000 to 800,000 active customers utilizing KPN's fiber-to-the-home or fiber-to-the-curb infrastructure. Such expansion requires time-consuming and capital-intensive digging. According to a TNO Report on Next Gen Infrastructures, dated February 25, 2010, the estimated capital expenditure involved in a switch from DSL to fiber-to-the-home is approximately €1,200-1,400 per home.

The Dutch Television Market

Introduction

According to Screen Digest, the Dutch television market is very highly penetrated, with approximately 98% of Dutch households owning at least one television. Similar to other European markets, television consumer behavior in the Netherlands is beginning to put more emphasis on digital, high definition and interactive television services such as video-on-demand, requiring high-bandwidth, bi-directional distribution platforms. The introduction of new services is presenting service providers with opportunities to achieve greater ARPU, which in the Netherlands is currently below the European average.

Distribution Platforms

Television signal distribution platforms in the Netherlands include cable networks, satellite and terrestrial systems. Television signals are also distributed via IPTV, a system through which digital television service is delivered over the Internet Protocol instead of being delivered through a traditional radio frequency broadcast, satellite signal or cable television format. According to Screen Digest, as of December 31, 2009, cable held a 77.0% share of the Dutch television market, terrestrial transmission systems a 12.9% share, satellite a 12.9% share and IPTV a 3.3% share. (Note that the sum of these penetration figures exceeds 100% because some homes are served by more than one distribution platform.)

Cable

The Netherlands, along with Belgium, Luxembourg and Switzerland, was one of the first European countries to deploy cable networks, doing so as early as the 1970s, and, as a result, other means of television delivery such as satellite and terrestrial broadcasters have not become as popular in the Netherlands as they have in other European countries. According to Solon, the Netherlands is one of the most highly penetrated cable television markets in Europe, with approximately 6.7 million, or 91.5% of, households passed by cable, making cable a nearly ubiquitous television distribution platform. Cable is by far the most commonly used transmission medium for television services in the Netherlands. Cable network services are characterized by easy-to-use technology, efficient installation of customer equipment and reliability of a protected signal delivered directly to the home.

There is no material competition between the major cable network operators in the Netherlands because there is no overlap between operators' cable networks. In recent years, the Dutch cable industry has undergone considerable consolidation. As a result, according to Screen Digest, Ziggo and UPC are now the leading providers of television services via cable, together accounting for approximately 90% of the market. In order to promote competition within the cable television market, OPTA has implemented new regulations designed to open the market to new third party providers. See "Business—Regulation—The Netherlands—OPTA broadcast market analysis decision". In particular, the new regulations will require Ziggo and UPC to open their networks to third parties (for a fee) to allow such third parties to provide television service to customers using such networks.

Cable network operators generate revenues principally from relationships with customers who pay subscription fees for the services provided. Direct access to end-users allows cable operators like Ziggo to better serve their customers, by identifying and fulfilling demand for specific products and services on a local basis and enabling a successful roll-out of premium cable television, Internet access and telephony services directly to end-consumers.

Satellite

A competitive presence in the Dutch television market—though less significant than in many other European markets—is satellite television, which can be divided into two types of access: (i) "free-to-air" satellite and (ii) paid satellite television.

With respect to free-to-air satellite, residential subscribers may install a satellite receiver to view a large number of foreign channels without paying subscription fees. However, Dutch channels are encrypted and are not able to be viewed for free. Residential subscribers must also install a satellite receiver when they subscribe to premium television via satellite. The largest premium satellite provider in the Netherlands is Canal Digitaal.

Satellite operators distribute digital signals nationally via satellite directly to television viewers. To receive programming distributed via satellite, viewers need a satellite dish and a satellite receiver, and a set-top box. Viewers also require a smart card for subscription-based and premium cable television services distributed via satellite. Satellite providers of free-to-air satellite services do not have any relationships with end customers and, consequently, do not receive any subscription or other fees from them.

We believe that satellite has the following disadvantages compared to cable: (i) the higher up-front cost of procuring and installing a satellite dish, as compared to the "plug-and-play" convenience of cable; (ii) the lack of an ongoing maintenance service, which cable network operators offer to their subscribers; and (iii) the susceptibility of satellite reception to external interference, such as adverse weather conditions. In addition, satellite struggles to deliver easy to handle interactive television services, including video-on-demand services, given the lack of integrated return path signaling, and satellite providers in the Netherlands have proven to be less profitable than cable providers. Perhaps most disadvantageous to satellite in the converging Dutch media and telecommunications market is satellite's inability to provide an integrated bundled solution. Satellite can team up with providers of broadband Internet and fixed-line telephony services, but it is unable to supply directly, and thus control, all the products in a triple-play bundle, putting it at a significant disadvantage to cable operators who are able to provide all three services through their cable networks.

Terrestrial

Other television delivery media include analog terrestrial television and digital terrestrial television, or DTT. Analog terrestrial television was terminated in the Netherlands in 2006. Dutch DTT provides viewers with more channels (25 television channels and 16 radio channels, though only a very limited number of these are free) than had been available through analog terrestrial television, but, similar to satellite, does not allow for the provision of enhanced bi-directional functionalities given the lack of a return path. Furthermore, the number of channels available, while exceeding what had been available through analog terrestrial, is also significantly less than the number available through a basic analog cable offering and substantially less than the number available through most digital cable and satellite offerings, including Ziggo's. Moreover, the signal reception and quality of DTT is adversely affected by various external disturbances, including those caused by poor weather and motorized vehicles. Consumers also face the inconvenience of needing a separate set-top box for each television in a household that receives its signal via DTT, in contrast to cable-based services, where additional televisions can be connected to our network and receive analog service.

Because the transmission footprint of DTT is smaller than that of analog terrestrial television, more towers are required to cover the same geographic area, which increases the cost of transmission. The terrestrial transmission infrastructure is owned and operated by Digitenne, a subsidiary of KPN. For a fee, KPN allows other providers access to this infrastructure.

DTT's market share includes a number of subscribers who, due to their mobile location, are not able to receive their television signal through other distribution platforms, including subscribers on boats and in caravans. In terms of quality, we believe that DTT is inferior to the other television signal distribution platforms.

Video and Television Distribution Over the Internet

As a consequence of improvements in Internet access and data transmission technologies, the Internet Protocol is increasingly being used as a platform for the distribution of IPTV services.

The principal providers of IPTV in the Netherlands are KPN and Tele2. Both KPN and Tele2 have begun to roll out VDSL, which will allow for the provision of IPTV services at a technical quality equivalent to that of cable, satellite and terrestrial television offerings. However, adding television services to a DSL network significantly strains the network and decreases the amount of spectrum bandwidth available for other service offerings, in particular broadband Internet. Furthermore, IPTV subscribers, like DTT subscribers, must purchase a separate set-top box for each television in a household that receives its signal through IPTV.

Another emerging technology is the delivery of television broadcasts "over the top" of an existing broadband network, or OTT-TV, which allows content providers to reach consumers through mediums such as the broadcaster's website or online aggregators of content. However, online content aggregators of popular Dutch programming do not currently exist, thereby limiting OTT-TV's present appeal in the Netherlands.

The Dutch Broadband Internet Access Market

Introduction

The broadband Internet access market in the Netherlands is very well established, with penetration rates higher than in most other major European markets. According to Screen Digest, as of December 31, 2009, broadband Internet access penetration in the Netherlands stood at 84% of total households (i.e., the ratio of total fixed-line broadband connections to households, with “broadband” being defined as a connection with data transfer speeds of at least 150Kbps in one direction).

The main broadband Internet access technologies in use in the Netherlands today are DSL and cable. Other Internet access technologies are fiber-to-the-home and Internet access via power-line. Mobile technologies and satellite services like High Speed Packet Access, or HSPA, Universal Mobile Telecommunications System, or UMTS, wireless local area network, or WLAN, and Worldwide Interoperability for Microwave Access, or WiMax, are also classified as broadband. Access to these technologies depends on local availability of the services.

Broadband Internet Access Platforms

DSL is the leading broadband Internet access platform in the Netherlands, with approximately 3.5 million connections as of December 31, 2009 (representing approximately 58.3% of the total broadband Internet market), according to Telecompaper. However, the number of DSL connections dropped in each of the third and fourth quarters of 2009, marking the first quarters over which DSL lost customers since the launch of DSL-based broadband Internet services in 2002.

DSL uses basic telephone infrastructure to access the Internet. DSL technology leverages the fact that copper wires used in telephone networks have a much higher bandwidth (7 MHz) than that required for normal voice conversation (0-3.4KHz). DSL utilizes the extra bandwidth to provide broadband (high bandwidth) Internet connections. The most commonly used variant of DSL is Asymmetric DSL, or ADSL, which assumes that Internet users normally receive or download much more information than they would send or upload. Hence, ADSL connections normally have three to four times more bandwidth for downloading data than uploading.

Cable is the second leading broadband Internet access platform in the Netherlands. Cable reported growth of 2.8% during the fourth quarter of 2009, with broadband via cable connections in the Netherlands reaching approximately 2.4 million as of December 31, 2009, representing approximately 38.9% of the total broadband Internet market, according to Telecompaper. Cable is able to provide greater speeds than DSL and with relatively low capital expenditure. We believe that cable has proven far more reliable in delivering promised speeds to subscribers than DSL has, and we believe that this has contributed to cable’s recent market share increase.

A relatively new broadband Internet access platform is fiber-to-the-home. According to Telecompaper, the number of broadband Internet subscribers via fiber-to-the-home technology grew to an estimated 167,000 as of December 31, 2009, representing a 2.8% share of the Dutch broadband Internet market. Even so, fiber-to-the-home’s current impact on the market remains small. A substantial challenge facing the expansion of fiber-to-the-home is the fact that such technology is capital- and time-intensive, requiring significant digging and re-wiring. While fiber-to-the-home is in the position of having to make heavy investments in catching up to the competition, cable operators can prioritize investment efficiently and generate high incremental returns while responding in a limited manner to customer demands. However, several municipalities and provinces in the Netherlands have offered and continue to offer financial support to network operators that build fiber-to-the-home connections and some municipalities and provinces have entered into public-private partnerships such as Amsterdam Citynet to stimulate investment.

Another possible threat to DSL and cable is the increasing download speeds offered by mobile Internet technologies, such as the established HSPA and the emerging LTE. Telecompaper estimated that 315,000 consumer households were using UMTS/HSPA for broadband Internet access via laptops or PCs at the end of 2009, signifying that mobile broadband has been growing more quickly than expected. Nevertheless, we believe that the majority of those consumers presently use mobile broadband Internet to complement a fixed-line broadband Internet connection, as the current mobile Internet offers by Dutch mobile operators are marketed more as an add-on than a replacement service.

The Dutch Fixed-Line Telephony Market

As of September 30, 2009, the combined number of fixed-line telephony connections in the Netherlands was approximately 6.0 million, according to Telecompaper. The Dutch market for fixed-line telephony services is mature, and market share changes are driven by the price and quality of services provided, including the way in which telephony services are integrated into bundled offerings. In recent years, fixed-line telephony has been transformed into a commodity and has become highly dependent on a quality broadband Internet offering, as telephony is increasingly bundled with broadband Internet services.

KPN, the incumbent fixed-line PSTN telephony service provider in the Netherlands, is the largest provider of fixed-line telephony in the Dutch market. However, the number of PSTN customers has been steadily decreasing in recent years. The traditional fixed-line telephony market is increasingly under pressure from cable telephony providers and alternative access technologies like VoIP and Internet telephony offered via broadband Internet connections. VoIP allows users to make telephone calls using a computer network over a high speed Internet connection, typically provided through cable or DSL. VoIP, which is less expensive than PSTN telephony services, allows subscribers to make traditional fixed-line telephone calls using a standard telephone handset and provides comparable quality to PSTN. The total number of VoIP and cable telephony subscribers has been steadily increasing in recent years.

According to Telecompaper, KPN is the VoIP market leader in the Netherlands, with approximately 1.2 million VoIP users as of December 31, 2009. Ziggo ended the fourth quarter of 2009 with approximately 1.0 million VoIP users, keeping its place as the second-largest Dutch VoIP provider with a national market share of 28.0% (representing a gain of 0.5 percentage points over the quarter). UPC, which ended 2009 with approximately 0.6 million VoIP customers, has a national VoIP market share of 17.5%. By access platform, DSL is the number one VoIP technology in the Netherlands, with a 49.4% market share as of December 31, 2009, slightly ahead of cable, whose market share stood at 47.5%. Rounding out the market is fiber-to-the-home, which had a 3.1% market share as of December 31, 2009.

We believe that the two predominant trends in the Dutch fixed-line telephony market are the continued growth of VoIP's market share as compared to PSTN and the continued growth of bundling. Cable operators such as ourselves are well-suited to take advantage of both of these trends. We believe that cable-based VoIP is a reliable and cost-effective telephony proposition. Increasing VoIP adoption in the Netherlands creates significant opportunities for cable. According to Telecompaper, year-on-year, the overall Dutch VoIP market grew by 14.2%, with DSL VoIP growing by 9.4% and cable VoIP growing by 17.2%, nearly twice as rapidly as DSL VoIP. Illustrating the attractiveness of bundling, the percentage of cable broadband Internet subscribers signing up for telephony services as well as broadband Internet increased from 65.0% as of December 31, 2008 to 71.8% as of December 31, 2009.

Business to Business Services

According to the Gartner Reports, the size of the Dutch business to business market in 2009 was approximately €2.9 billion. The business to business market in the Netherlands is considered to be quite mature and is driven by a combination of price, quality and customer service, with the latter taking on more importance than it does in the consumer telecommunications market.

KPN, by leveraging its PSTN, DSL and fiber networks, is by far the leading provider of business to business services in the Netherlands. One component of our business strategy is to reposition our business to business offerings and more aggressively market them moving forward in order to gain market share from KPN. We believe that due to our ability to provide telephony and high speed broadband Internet services over our cable network we are uniquely positioned to provide cost-effective voice and data services to meet the needs of small and medium enterprises, most of whom currently receive such services from KPN.

BUSINESS

Overview

We are the largest cable television operator in the Netherlands. Our cable network covers 55% of the Netherlands by homes passed and includes the metropolitan centers of Utrecht and The Hague. We were formed through the combination of the Multikabel Business, the Casema Business and the @Home Business in 2007, and we rebranded the combined businesses under the "Ziggo" brand in May 2008. We provide standard cable television and digital pay television, including high definition and on-demand television, high speed broadband Internet and telephony services to subscribers who reside in our network area. We also combine our services into packages, or bundles, which offer subscribers the convenience of being able to order television, broadband Internet and telephony services from a single provider at an attractive price. In addition, we offer voice and data services to small and medium-sized businesses within our network area.

As of December 31, 2009, we had approximately 3.2 million unique residential subscribers, which represents 80.2% of homes passed by our network. As of December 31, 2009, all of our 3.2 million unique residential subscribers subscribed to our standard cable services, 1.4 million subscribed to our broadband Internet services and 1.0 million subscribed to our telephony services. In addition, approximately 49% of our standard cable subscribers had upgraded from analog to digital television. According to Telecompaper, our national subscription market shares for television, broadband Internet and telephony services were 40%, 24% and 17%, respectively. Based on internal estimates, we believe that our subscription market shares in our network area for television, broadband Internet and telephony services were approximately 70%, 40% and 30%, respectively. OPTA estimates that we have a national market share of between 40% and 50% in "triple-play" bundles of television, broadband Internet and telephony services. For the year ended December 31, 2009, our total revenue was €1,284.4 million, a 3.7% increase over the year ended December 31, 2008, and our Adjusted EBITDA was €695.8 million, a 2.8% increase over the year ended December 31, 2008.

The Netherlands has a number of characteristics that make it attractive for cable operators. The Netherlands is one of the most prosperous countries in Europe with a GDP per capita of approximately €34,000 in 2009. There is no material competition between us and other major cable network operators in the Netherlands because there is minimal overlap between cable networks. Furthermore, the first cable networks were widely deployed across the Netherlands as early as the 1970s and, as a result, other means of television delivery such as satellite and terrestrial broadcast have not become as popular in the Netherlands as they have in other European countries. Free-to-air terrestrial television, for example, is not a mainstream distribution platform in the Netherlands and is limited to only a handful of channels. Consequently, we are, aside from KPN (the incumbent fixed-line operator in the Netherlands) currently the only significant fixed end-to-end infrastructure-based provider of television and telecommunications services in our network area. In addition, due to the country's high population density, the costs of maintaining a cable network are lower in the Netherlands than in many other European countries.

The foundation of our business historically was the provision of standard cable television services. However, consumers are increasingly looking to receive all of their media and communications services from one provider at attractive prices in the form of bundles. In response, we are increasingly focusing on offering our subscribers broadband Internet and telephony subscriptions and services together with our standard cable television services in the form of triple-play bundles. We have derived, and believe we can continue to derive, substantial benefits from the trend towards bundled subscriptions, through which we are able to sell more products to individual subscribers, resulting in significantly higher ARPU and, in our experience, the reduction of customer churn. For the year ended December 31, 2009, our blended ARPU was €29.93 per month, a €1.33 increase over the year ended December 31, 2008.

We believe our cable network, which passed approximately four million homes and served 3.2 million unique residential subscribers as of December 31, 2009, is one of the most technically advanced in Europe. Our entire cable network has been upgraded to bi-directional capability, is fully EuroDocsis 3.0 enabled and provides a spectrum bandwidth capacity of 862 MHz, which is greater than the international industry average. As a result, our network offers greater capacity for television and broadband Internet services than KPN can offer over its fixed-line telephone network. In addition, due to our high level of prior investment in upgrading and integrating our network and systems, we believe that we can limit capital expenditures and network maintenance over the next several years to the incremental upgrades required by new customer subscriptions and increased usage, enabling us to maximize return on investment.

We provide the following products and services to our customers:

Standard Cable. As of December 31, 2009, we provided our standard cable services to all of our approximately 3.2 million unique residential subscribers, or 80.2% of homes passed by our network. All of our standard cable subscribers have access to 30 analog television channels and 30 to 40 radio channels. Our standard cable subscribers who have installed digital receivers and activated a smart card automatically have access to the same 30 television channels simulcast in digital, as well as an additional 35 digital channels and approximately 95 additional digital radio channels, for no additional fee. We offer our standard cable services in digital for no additional fee in order to encourage our subscribers to migrate to digital, where they will have access to our digital pay television services, including video-on-demand and other interactive television services. As of December 31, 2009, approximately 1.6 million, or 49.0%, of our standard cable subscribers had activated smart cards, up from approximately 1.1 million, or 34.5% of our standard cable subscribers as of December 31, 2008. We generally provide our standard cable services under individual contracts with our subscribers, the majority of whom pay monthly by direct debit. We also service certain multi-dwelling units such as hospitals, hotels and dormitories under bulk contracts. Excluding subscribers who purchased our standard cable services as part of our All-in-1 bundle, our standard cable services generated an ARPU of €13.15 per month in the year ended December 31, 2009.

Digital Pay Television. As of December 31, 2009, of our approximately 1.6 million subscribers who had activated smart cards, approximately 0.8 million had purchased digital pay television services from us. Our digital pay television services consist of both subscription programming that we assemble into premium packages, such as sports and movies, as well as video-on-demand content from third party providers, including Sony and Warner Brothers. We also offer "Catch-Up TV", which allows subscribers to watch recently broadcast television programs after they have been aired. Furthermore, an increasing portion of our digital content is now available in high definition format. For the year ended December 31, 2009, our digital pay television services generated an ARPU (calculated based on the number of our subscribers who had activated smart cards) of €5.75 per month on top of standard cable service fees.

Broadband Internet. As of December 31, 2009, we provided our broadband Internet services to approximately 1.4 million subscribers. During 2009, we fully upgraded our network to EuroDocsis 3.0 technology, which allows us to offer our subscribers significantly higher speeds across our network than any of our competitors. We offer broadband Internet service with download speeds of up to 120 Mbps for our high end bundle subscribers in Utrecht, The Hague, Amersfoort, Enschede, Heerhugowaard, Meppel, Tilburg and Maastricht, which is significantly faster than the maximum download speed of 40 Mbps currently offered by KPN over its digital subscriber line, or DSL, network. We expect to complete the roll-out of 120 Mbps service across the rest of our network during the second half of 2010. Excluding subscribers who purchased our broadband Internet services as part of our All-in-1 bundle, our broadband Internet services generated an ARPU of €20.80 per month in the year ended December 31, 2009.

Telephony. As of December 31, 2009, we provided our telephony services to approximately 1.0 million subscribers, making us the second largest fixed-line telephony provider in our service area after KPN. We offer telephony services using voice over Internet protocol technology, or VoIP, which allows our customers to make traditional fixed-line telephone calls using a standard telephone handset and provides comparable quality to the PSTN and VoIP telephony services offered by KPN and others. For the year ended December 31, 2009, our telephony services generated an ARPU from subscriptions of €6.42 per month (excluding subscribers who purchased our telephony services as part of our All-in-1 bundle) and an ARPU from usage of €12.50 per month.

"All-in-1" Triple-Play Bundles. To address the needs of consumers looking to receive their media and communications services from one provider at an attractive price, in 2008 we introduced several bundling options to allow our subscribers to choose combinations of standard cable, broadband Internet and telephony services. We first introduced our "All-in-1" product to the market in May 2008, which is available in basic, plus and extra configurations and offers our subscribers standard or digital cable, broadband Internet and telephony services together for a lower price than taking these services on a stand-alone basis. As part of our All-in-1 product, we have Internet speeds available that are higher than those offered in our stand-alone Internet services, which we believe provides a strong incentive for our subscribers to upgrade to the All-in-1 product. We also derive substantial benefits from offering bundles to our subscribers, as bundles generate higher monthly ARPU and, in our experience, reduce customer churn. We are the market leader in triple-play bundle penetration within our network area, and we believe that we are uniquely positioned to provide each of these services with very high quality and in a single package. We have marketed, and expect to continue to market, our All-in-1 product aggressively. As of December 31, 2009, we provided All-in-1 bundles to approximately 675,000 subscribers, an increase of 156% from December 31, 2008, and our All-in-1 bundle generated an ARPU of €40.12 in the year ended December 31, 2009.

Our Competitive Strengths

We believe that we benefit from the following key strengths:

We operate in one of Europe's most favorable cable markets and have a large, affluent existing customer base. Our cable network covers 55% of the Netherlands by homes passed and includes the metropolitan centers of Utrecht and The Hague. We believe that the Netherlands is one of Europe's most attractive cable markets due to, among other things, a relatively high population density and cable penetration rate. The Netherlands is one of the most prosperous countries in Europe with a GDP per capita of approximately €34,000 in 2009. As of December 31, 2009, we provided our standard cable services to approximately 3.2 million unique residential subscribers, or 80.2% of homes passed by our network. We believe that our attractive network area and large and affluent existing customer base offer significant potential for us to sell our All-in-1 bundles and our other services both to our existing customer base and to new customers in our network area.

We can offer higher quality television and broadband Internet services than our competitors because of our state-of-the-art, highly-invested cable network. We believe that our state-of-the-art, highly-invested hybrid fiber and coaxial cable network allows us to offer cable television and broadband Internet services across our network area that are superior to the offerings of any of our competitors. Our network has recently been fully upgraded to bi-directional capability with spectrum bandwidth capacity of 862 MHz, allowing us to offer what we believe is the highest quality, most reliable analog and digital video and the most sophisticated interactive television services available in our network area. Our network is also EuroDocsis 3.0 enabled and our fiber network backbone generally extends to within 300 meters of our subscribers' homes. This allows us to offer our broadband Internet subscribers significantly higher speeds across our network area than KPN, our largest competitor in the broadband Internet access market and the only significant alternative fixed end-to-end infrastructure-based provider of television and telecommunications services in our network area, can offer over its DSL network. We believe that our competitors will need to make very large investments over several years in order to provide comparable television services and broadband Internet speeds in our network area using currently available technologies.

We have a superior platform to compete in the growing market for triple-play bundles in our network area. Consumers are increasingly looking to receive all of their media and communications services from one provider at an attractive price in the form of triple-play bundles. Given the relatively high levels of cable penetration in our network area and the higher monthly ARPU associated with bundled offerings, we believe that the increasing penetration of triple-play services within our network area will be one of the primary drivers of our future revenue growth. OPTA estimates that we are the leading provider of triple-play bundles in the Netherlands, holding between a 40% and 50% national market share. In addition, we believe that we have a superior platform to capture further growth in the market for triple-play bundles in our network area since we can offer our large existing customer base what we believe is the most attractive combination of high quality, interactive digital television, high speed broadband Internet and telephony services available. Our competitors who use satellite and digital terrestrial distribution are not able to offer integrated triple-play bundles due to their lack of an integrated bi-directional path for broadband Internet, telephony and interactive television services. Our DSL-based competitors, including KPN, are not currently able to match the quality of our digital video and interactive television services or our broadband Internet speeds across our network area.

Strong, stable cash flows and significant operating leverage. Our large customer base and relatively low churn rates provide us with significant predictability of future revenue and strong recurring cash flows, which have historically proven to be resilient even during periods of challenging economic conditions. Certain of our cost elements, such as a portion of our network operations, marketing, billing and administrative costs, are relatively fixed, which allows us to generate high incremental returns as we grow our business. In addition, as a result of our high level of prior investment in our network, we believe that we can limit capital expenditures over the next several years to the incremental upgrades required by new customer subscriptions and increased usage, enabling us to maximize return on investment and generate high incremental returns as we increase RGUs. We have capitalized on these advantages to increase our Adjusted EBITDA margin from 52.1% in the year ended December 31, 2007 to 54.2% in the year ended December 31, 2009, and in the year ended December 31, 2009, our Adjusted EBITDA less capital expenditures (excluding integration capital expenditures) margin was 37.9%, higher than that of most European cable operators. Over that time period, we have also reduced our net debt to Adjusted EBITDA ratio from 6.80x as of December 31, 2007 to 5.39x as of December 31, 2009. On a pro forma basis, after giving effect to the Refinancing, our net debt to Adjusted EBITDA ratio would have been 5.49x as of December 31, 2009.

We have a highly experienced management team with a successful track record at Ziggo. Our management team has a proven track record of integrating our predecessor businesses into Ziggo and developing and implementing our growth strategy. Prior to joining Ziggo, members of our management team successfully managed a broad range of telecom businesses. For example, Bernard Dijkhuizen, our Chief Executive Officer, was Chief Executive Officer of Essent Kabelcom B.V. from 2002 to 2007. Prior to that, he was Managing Director of Libertel Network (part of Vodafone). Marcel Nijhoff, our Chief Commercial Officer, was Chief Executive Officer of Multikabel N.V. from 2005 to 2007 and during the late 1990s was Vice President Marketing with A2000, the greater Amsterdam region cable operator (now part of UPC). Bert Groenewegen, our Chief Financial Officer, joined us in March 2010. Mr. Groenewegen was Chairman of PCM Uitgevers from 2007 to 2009, after first having been Chief Financial Officer from 2005 to 2007. Paul Hendriks, our Chief Technical Officer, joined Ziggo in 2008. Prior to that, he fulfilled a broad range of management positions at KPN and was responsible for a series of major product introductions, such as VoIP.

We are also supported by our financial sponsors, Cinven and Warburg Pincus, each of which has extensive experience in investing in and developing telecommunications companies.

Our Strategy

The key components of our strategy are to:

Drive continued revenue and profit growth by leveraging our superior network to further increase market share and triple-play bundle penetration. Since the combination of our predecessor businesses in February 2007, we have achieved significant growth in our digital television, broadband Internet and telephony services and we plan to further increase our market shares for these services and our All-in-1 bundle through aggressive marketing to our existing and future customers. We have launched several successful initiatives to further increase the uptake of bundles and migrate subscribers to our All-in-1 product. In addition, we believe that our network, which we believe is one of the most advanced in Europe, allows us to offer subscribers high quality television, broadband Internet and telephony services and high quality bundles that cannot be matched by our competitors without significant capital investment. During 2009, we increased our All-in-1 subscriptions by 156% from December 31, 2008. We intend to continue to market our All-in-1 product aggressively.

Further promote the digitalization of our cable subscriber base and the development of our digital television offerings. We plan to continue to promote the digitalization of our cable subscriber base, which is a prerequisite for growth in our digital pay television services. Full simulcast of analog channels in digital format as part of our standard cable services allows any of our standard cable customers to receive digital services simply by purchasing a set-top box or television set with an integrated digital receiver and activating a smart card. We intend to continue to add additional content packages for digital television to stimulate their uptake, including interactive television and high definition programming. We have introduced a variety of interactive television services, including video-on-demand and Catch-Up TV, which allows customers to watch recently broadcast television programs after they have been aired. We intend to continue to focus on introducing innovative interactive television products and are adopting a considered approach to launching these new services at what we believe to be the right market timing, execution and pricing considerations, ensuring strict quality control to optimize the customer experience.

Further enhance customer satisfaction and maintain low churn rates through operational excellence. We have streamlined our operations, automated and integrated various customer care and billing systems and implemented earnings-based incentives to enhance customer satisfaction and maintain low churn rates. We have also established key performance indicators, which we monitor continuously to assess our operational processes, sales and marketing efficiency and the reliability of our infrastructure. We have invested heavily in our customer care function in order to improve satisfaction and retention at all customer touch points, including customer service centers, Ziggo engineers, online self care portal, and mobile "Ziggo Helps" centers. As a result, the number of customer service calls received monthly by our customer care centers has declined in each of the six months up to and including February 2010, the last month for which data is available. We plan to remain intensely focused on further enhancing customer satisfaction levels in response to feedback from our quarterly customer surveys.

Explore additional growth opportunities. We believe that the business to business segment presents a growth opportunity for us, providing us with an opportunity to leverage our existing network to meet the needs of small and medium-sized business customers. We plan to reposition our business to business offerings and more aggressively market them moving forward in order to gain a larger share of the market in our network area. We believe that due to our ability to provide telephony and high speed broadband Internet services over our existing cable network, we are well positioned to provide cost effective voice and data services to meet the needs of small and medium-sized enterprises without significant capital investment. We will also continue to explore cost effective new growth opportunities, such as IPTV and mobile broadband, in order to enhance and retain our strong position in the Dutch communications market. In addition, we regularly evaluate potential acquisitions of cable operators in contiguous regions, in order to expand our network coverage and create operational synergies. However, such acquisitions would likely be small because we and UPC are the only large cable operators in the Netherlands. We believe that due to our track record of integrating our predecessor businesses, as well as several smaller businesses that we have acquired, we would be able to successfully integrate future acquisitions and realize planned synergies.

Focus on cash flow growth. We believe that we have one of the best margin and cash flow generation profiles among European cable operators. We are committed to exploiting growth opportunities available to us in a manner that generates high incremental return on our investments. The large scale of our existing operations provides us with a platform to roll out new products and services to a large existing customer base and translate revenue growth into profitability and cash flow generation. We also expect to improve further our cash flow conversion as we benefit from operating and capital expenditure leverage as our business grows.

Our Services

We currently provide standard cable, digital pay television, broadband Internet and telephony services throughout our network area, which covers 55% of the Netherlands and reaches approximately four million homes. We market our standard cable services on a stand-alone basis and our digital television, broadband Internet and telephony services individually or in bundles to our standard cable subscribers. We offer what we believe is one of the most attractive triple-play bundled products currently available in the Netherlands due to the high quality of the television and broadband Internet services provided therewith, compared to that which is available from our competitors who also offer triple-play bundles. Our most popular bundled product is All-in-1, which is available in basic, plus and extra configurations, and provides subscribers a package of our digital video, broadband Internet and telephony services for one simple price. We are focused on continuing to convert our analog cable television subscribers to digital and high definition and on selling our customers our premium services, including broadband Internet and telephony, which generate significantly higher ARPU than our standard cable television service alone. We believe that cable is the best currently available method of delivering high quality television and broadband Internet services to customers in our network coverage area other than expensive and capital intensive fiber-to-the-home networks, which at present reach only 5% of houses in the Netherlands, according to Telecompaper.

Standard Cable

We offer standard cable television and radio throughout our network. As of December 31, 2009, we provided our standard cable services to approximately 3.2 million unique subscribers, or 80.2% of homes passed by our network. During the year ended December 31, 2009 our standard cable services accounted for approximately 33.6% of our total revenues and generated an ARPU of €13.15 per month.

Our Current Standard Cable Services

Our standard cable subscribers have access to our analog television and radio programming. Standard cable subscribers that have installed a digital receiver and activated a smart card receive without additional charge the same analog television channels simulcast in digital, additional digital channels and our radio programming. As of December 31, 2009, approximately 49% of our standard cable subscribers had activated smart cards and received the standard cable package in digital. This is consistent with our goal of increasing our digital subscriber base, as such customers then have access to our digital pay services.

Analog

Our standard analog cable package has been standardized across our network and includes the following television channels:

Program	Description	Program	Description
Nederland 1	General Interest	Eurosport	Sport
Nederland 2	General Interest	CNN	News
Nederland 3	General Interest	Duitsland 1 (ARD)	General Interest
Regional Public	Local Interest	Duitsland 2 (ZDF)	General Interest
Local Public	Local Interest	BBC 1	General Interest
Een	Belgium 1	BBC 2	General Interest
KetNet / Canvas	Kids Entertainment	Ziggo TV	Information
RTL 4	Entertainment	Euronews / Het Gesprek	News
RTL 5	Entertainment	Regional Commercial[(1)]	Local Interest
SBS 6	Family Entertainment	Regional Public 2[(1)]	Local Interest
RTL 7	Entertainment	Local Commercial[(1)]	Local Interest
RTL 8	Entertainment	Local Public 2[(1)]	Local Interest
Veronica / Disney XD	Kids Entertainment	Duitsland 3 (WDR)[(1)]	Local Interest
Net5	Entertainment	NDR[(1)]	Local Interest
Discovery Channel	Information / Documentary	TVE Internacional[(1)]	Spanish General Interest
National Geographic Channel	Information / Documentary	RAI UNO[(1)]	Italian General Interest
Animal Planet	Information / Documentary	TBN Europe[(1)]	Religious
MTV	Music	BBC World News[(1)]	News
Nickelodeon / Comedy Central	Kids Entertainment	ERT[(1)]	Greek General Interest
TMF	Music		

(1) Channel included in certain regions.

In addition to the analog channels above, subscribers to our standard analog cable service receive 30 to 40 radio channels, depending on the region.

Digital

In order to encourage our customers to upgrade to digital, subscribers to our standard cable services that have installed a digital receiver and activated a smart card may receive without additional charge the analog channels above simulcast in digital and the following additional channels:

Program	Description	Program	Description
Nederland 1 HD	General Interest	RTL Television	Entertainment
Nederland 2 HD	General Interest	Sat. 1	Entertainment
Nederland 3 HD	General Interest	Arte	Cultural, Arts
Misdaadnet	Entertainment	TV5 Monde	French General Interest
SCI FI CHANNEL	Entertainment	France 2	French General Interest
Humor TV 24	Comedy	TVE	Information / Documentary
Veronica / Disney XD (31/12)	Kids Entertainment	TRT International	Turkish General Interest
Net 5	Entertainment	Omroep Zeeland	Regional Interest
Preview TV	Information	TV Flevoland	Regional Interest
Etalagekanaal	Ziggo Information	TV Drenthe	Regional Interest
Zenderoverzicht	Information	TV Noord	Regional Interest
13TH STREET	Entertainment	Omrop Fryslân	Regional Interest
CNN International	News	TV Oost	Regional Interest
Het Gesprek	Interview / Debate	L1 Limburg	Regional Interest
Family 7	Family Entertainment	TV Utrecht	Regional Interest
Eurosport HD	Sport	TV Gelderland	Regional Interest
BBC World News	News	Omroep Brabant TV	Regional Interest
Euronews	News	AT 5	Entertainment / Local News
Politiek 24	Politics	TV Noord-Holland	Regional Interest
Al Jazeera International	News	TV Rijnmond	Regional Interest
ARD	General Interest	TV West	Regional Interest
ZDF	General Interest	GoedTV	General Interest
WDR	General Interest	ZiZone	Information
SWR Fernsehen	General Interest		

Subscribers to our standard cable service who have installed digital receivers and activated a smart card also receive 94 to 97 digital radio channels, depending on the region.

Our Standard Cable Services Fees

We regularly review our pricing policy for our standard cable services in order to ensure that we retain our existing standard cable subscribers and in order to encourage such subscribers to upgrade to our premium products. In the past we have increased the subscription fees for our standard cable service by around 1%-2% a year in line with inflation. Our ARPU for standard cable subscribers increased €0.21, or 1.5%, to €13.15 per month in the year ended December 31, 2009 from €12.94 per month in the year ended December 31, 2008.

The price for our standard cable service as of March 31, 2010 was € 16.45 (including VAT) per month. In connection with the acquisition of portions of our network, we have in the past agreed with certain municipalities to offer our standard cable service in those regions for a fixed price. We have negotiated, and expect to continue to negotiate, directly with the municipalities to remove these restrictions. We also enter into multi-year agreements with the operators certain multi-dwelling units such as hospitals, hotels and dormitories where we may offer discounts to our standard fees.

Our Programming Content

We license our standard cable programming from third party content providers. We license certain content generally on a per subscriber basis from author rights societies in the Netherlands, including Buma/Stemra. We also enter into agreements with broadcasters generally on a per subscriber basis for access to their programming.

Digital Pay Television

We offer digital pay television services, including high definition and on-demand services, to our standard cable subscribers that have installed digital receivers and activated a smart card. As of December 31, 2009, approximately 1.6 million, or 49% of our standard cable subscribers had activated smart cards. During the year ended December 31, 2009, our digital pay television services accounted for 7.2% of our total revenues and generated an incremental ARPU (calculated based on the number of our subscribers that had activated a smart card) of €5.75 per month.

Our Digital Pay Television Services

Our digital pay television products include third party programming we assemble into packages as well as on demand content from third party providers. We also offer customers high definition and interactive services.

Digital Pay Services

We offer customers who are equipped with digital receivers and who activate a smart card the ability to purchase additional packages of digital channels. The packages each contain several channels that we have bundled together by theme. Our most popular packages are our sport and film packages, Sport1, Eredivisie Live and Film1. We also offer themed packages such as packages of sports and kids programming, packages of Turkish, Chinese and Hindi channels and a gay lifestyle package.

A key element of our strategy to migrate standard cable subscribers to our digital pay services has been to provide all of our digital content for free to our customers for a "Free View" trial period when they first install a digital receiver. We have been granted relief from many of the content providers for fees during this trial period.

High Definition

We broadcast an increasing amount of our standard cable television programming in high definition. As of March 31, 2010, Netherlands 1, 2 and 3 and Eurosport were available in high definition. We also offer subscribers a package of additional high definition channels for €3.95 per month, which includes high definition broadcasts of the Discovery Channel, the National Geographic Channel and the History Channel. We also offer several of the channels in our pay packages in high definition, including Film1 and Sport1.

Interactive Television

We offer customers equipped with interactive television receivers, or ITV receivers, the ability to purchase several interactive services. Our current interactive services are "On Demand", "TV Theek" and "Catch-Up". "On Demand" allows subscribers to order recent movies and television shows. "TV Theek" provides subscribers an extensive library of movies, sitcoms, documentaries, cartoons and other programming that can be accessed at any time and without limitation. "Catch-Up" provides subscribers the ability to view on demand television programming from a group of popular channels at any time within ten days after the programs were originally aired. We intend to continue to focus on introducing innovative interactive television products.

Our Digital Pay Television Services Fees

Customers who subscribe to any of our digital pay television products must also purchase our standard cable service. The table below sets forth the monthly subscription fees for our digital pay services as of March 31, 2010.

Package	**Monthly subscription fee (in €, including VAT)**
Digital Total Package[(1)]	3.95-9.95
Sport1	14.95
Film1	14.95
Combi Film1 and Sport1	22.95
Eredivisie Live	14.95
Turkish package	4.95-19.95
Chinese package	9.95
Hindi package	24.95
Gay lifestyle package	9.95
HDTV package	3.95
On-Demand	n/a
TV Theek	9.95
Catch-Up	4.95
ITV Total Package[(2)]	11.95

(1) The Digital Total Package provides subscribers the ability to choose from themed packages of over 120 additional digital channels such as news and current events channels, kids channels and sports channels. Subscribers may purchase any one, two or three packages for € 3.95, €6.95 or €9.95, respectively (including VAT).

(2) Includes subscriptions to TV Theek and Catch-Up.

Our Programming Content

We license our digital pay television programming content from third-party content providers. We enter into agreements with directly with broadcasters and distributors. In general, we pay license fees based on subscriber numbers to these content providers and our agreements with certain providers require us to pay minimum guarantees. We also pay royalties based on our subscribers' usage of on demand content.

Broadband Internet

We currently offer six tiers of broadband Internet service with download speeds ranging from 2 Mbps to 120 Mbps. During 2009, we fully upgraded our network to EuroDocsis 3.0 technology, which allows us to offer subscribers additional broadband capacity across our network area. We offer broadband Internet service with top download speeds of 120 Mbps for our high end bundle subscribers in Utrecht, The Hague, Amersfoort, Enschede, Heerhugowaard, Meppel, Tilburg and Maastricht. We expect to complete the roll-out of 120 Mbps service for such subscribers across the rest of our network during the second half of 2010.

As of December 31, 2009, we provided our broadband Internet service to approximately 1.4 million subscribers, or 35.6% of homes passed by our network (including third party-owned networks). Excluding subscribers who purchased our broadband Internet services as part of the All-in-1 bundle, our broadband Internet services accounted for 18.1% of our total revenues for the year ended December 31, 2009.

Telephony

We offer three general tiers of monthly telephony subscription service throughout our network area, Telephonie Z1, Telephonie Z1+ and Telephonie Z1+ unlimited. The basic service, Telephonie Z1, provides customers with a telephone line and our premium services provide for unlimited calling within the Netherlands. We offer telephony services using VoIP technology, which allows our customers to make traditional fixed-line telephone calls using a standard telephone headset and provides comparable quality to the PSTN and VoIP telephony services offered by KPN and others. We offer premium add-on services, including the ability to make unlimited calls to landlines within the Netherlands and to add additional lines. In order to capitalize on the network effect of this business, we frequently offer free calls between Ziggo subscribers.

We intend to price our telephony services at competitive rates and, consequently, we frequently update our product mix and pricing structure. As of December 31, 2009, we provided our telephony services to approximately 1.0 million subscribers, or 24.5% of homes passed by our network (including third party-owned networks), which made us the second largest fixed-line telephony provider in our service area after KPN. Customers who subscribe to our telephony services must also purchase our standard cable service. During the year ended December 31, 2009, our telephony services generated an ARPU from subscriptions of €6.42 per month (excluding subscribers who purchased our telephony services as part of our All-in-1 bundle) and an ARPU from usage of €12.50 per month. During the year ended December 31, 2009, our total telephony revenues accounted for 13.1% of our total revenues.

Business to Business Services

Our business services consist of two types of services. First, we provide broadband Internet and voice and other data services to small and medium sized companies that are already connected to our network. When cost-effective, we install a direct fiber connection between the customer and the fiber backbone of our network in order to offer the fastest Internet speeds possible. However, we anticipate that we will need to install fewer direct fiber connections to our business customers in the future because we believe that the recent upgrades we made to our cable network, including upgrading to EuroDocsis 3.0, will allow us to offer business customers sufficient Internet speeds utilizing existing cable connections to our fiber based network backbone. We typically enter into multi-year agreements with our business customers and the terms and conditions of such agreements are often tailored to the particular customer.

We also provide television signal service to operators of multi-dwelling units where it is not possible for us to contract directly with the user. These customers include, for example, hospitals, hotels and dormitories. We often enter into multi-year agreements with the operators of these units and such customers may receive discounts to the standard fees that we charge our residential customers. Our sales to business customers accounted for 6.5% of our total revenues for the year ended December 31, 2009.

Our Customers

We sell our video, broadband Internet and telephony services to residential and business customers. Residential subscription, usage and other revenues accounted for the majority of our revenues and represented 93.5% of our total revenues for the year ended December 31, 2009. Within the residential market, we market our services directly to residential customers in single dwelling units and multi-dwelling units, such as apartment buildings. We typically enter into standard form contracts with our subscribers.

Our sales to business customers represented 6.5% of our total revenues for the year ended December 31, 2009. Our business customers typically purchase our broadband Internet and voice and other data services. We target small and medium sized companies that are already connected to our network. Our business customers also include operators of multi-dwelling units where it is not possible for us to contract directly with the user. These customers include, for example, hospitals, hotels and dormitories.

Marketing and Sales

Marketing

Our marketing department is responsible for designing and promoting new products and services to customers. We launched our new brand name “Ziggo” in May 2008 and all of our products and services are now marketed under this brand name. Since the launch, we have made several significant investments to establish our new brand name, including sponsoring the Ziggo Dome, a concert hall that is expected to open to the public in Amsterdam in 2011. We also plan to launch on a trial basis Ziggo Studio stores in Zwolle and Utrecht, which we intend to use as forums for showcasing our new products and services to customers in our network area.

In addition to branding measures, we have also developed the technology for smart cards that can be connected to next generation Common Interface Plus, or CI+, modules, which are now being built into an increasing number of the newest television sets. In order to ensure that CI+ modules work seamlessly with our smart cards, we have made arrangements with certain leading television manufacturers so that we can inspect their technologies and certify for our customers that they are Ziggo compliant. We intend to work in a similar way with other manufacturers in the future and believe that this technology will provide our customers a simple and inexpensive method of connecting to our digital video and other services.

Our marketing department is responsible for all of our products and services. We do not divide responsibility per product line because we believe customers increasingly expect their video and telecommunications providers to offer integrated packages of video and telecommunications services. Our marketing department is divided into six groups. Our Proposition Management group develops our product offerings and overall marketing strategy. Our Market Research & Planning group is responsible for general market research and our Customer Base Marketing group is responsible for identifying groups of customers that are best placed to be targeted with advertising and promotions. Our Brand & Communications group designs our advertising. Our Portal group manages our website and our Channel Management group is responsible for our managing our sales channels, including our retail partnerships.

Sales

We market and sell our products to customers using a broad range of sales channels, primarily online sales direct from our website, inbound and outbound telesales and sales from other retail outlets, including online stores. We also sell our services face to face with the customer at certain marketing events and will in the future sell our services face to face through our Ziggo Studio stores.

We encourage customers to purchase our products and services through our website, which we believe provides customers a clear understanding of our product prices and features, and results in lower subscriber acquisition costs. During the year ended December 31, 2009, we made approximately 208,500 product sales over our website, which represented approximately 21% of our total product sales.

We currently outsource our inbound and outbound telesales to external service providers. Inbound telesales accounted for approximately 501,500 product sales, or 51% of our total product sales, during the year ended December 31, 2009. Outbound telesales accounted for approximately 11,000 product sales, or 1.1% of our total product sales, during the year ended December 31, 2009.

We also partner with retail outlets, including BCC, Media Markt, Expert, EP, Harense Smit and Phone House. Retail partnerships accounted for approximately 239,000 product sales, or 24% of our total product sales, during the year ended December 31, 2009.

For the year ended December 31, 2009, our marketing and sales expense was €36.9 million, compared to €46.7 million in the year ended December 31, 2008.

Customer Operations

The customer service function is responsible for all customer care activities, including handling customer queries and complaints. In addition, customer service is also responsible for inbound telesales. During 2008 we introduced our single brand, changed our billing process, rolled out our All-in-1 bundle across our network and migrated all of our customer data to one unified database. These changes initially placed significant pressure on our customer service functions. However, during 2009 our customer call volume steadily decreased and we expect this trend to continue as we focus on new methods of customer service, including self-service provided by our automated online customer service center.

We believe our customer care is most effective if it is close to our customers. As a result, we operate dedicated customer contact centers at Groningen, Heerhugowaard, The Hague and Eindhoven. We employed approximately 1,350 customer and technical services employees, including temporary employees, as of December 31, 2009. We supplement our internal customer care capacity with outsourced capacity when it is cost effective to do so. All of our customer service agents are skilled in multiple areas, including marketing campaigns and customer care for a variety of our products. We also have a specialized team for sales and customer care in relation to our business services.

We are required by law to operate a "switch desk", which enables customers to transition between different cable, Internet access and telephone providers with minimal disruption to their service.

We manage our billing operations internally. We offer our customers the choice between electronic and paper statements, various pre-pay options and the ability to make automatic bill payments. We frequently offer discounts to our customers that enable automatic bill payment and as of December 31, 2009, approximately 95% of our customers had enabled automatic bill payments.

Our Network

As of December 31, 2009, our network passed approximately four million homes and covered approximately 55% of the Netherlands by homes passed. Our hybrid fiber-coaxial network consists of fiber based backbone of national and regional fiber networks, which are connected to the home over the last few hundred meters by coaxial cable. Our fiber based backbone, which delivers data using Internet protocol, or IP, generally extends to within 300 meters of our subscribers' homes, which allows us to provide faster Internet access speeds and more advanced services to our subscribers. Average annual network availability of our network and product platforms is high, at approximately 99.9% during the year ended December 31, 2009.

Our network is comprised of the predecessor networks of the Casema Business, the Multikabel Business and the @Home Business. Each of these separate predecessor networks differed in terms of functionality, quality and capacity at the time we acquired them. We have since invested in the standardization and integration of the predecessor networks. We have also insourced most of the maintenance and operation of our network, which has produced significant cost savings, and created a single network operation center in Zwolle to monitor the network.

All of our network has been upgraded to bi-directional capability, which enables us to offer our advanced digital products, including high definition and interactive television and broadband Internet, across our network. In addition, approximately 98% of homes passed by our network are connected to our fiber based backbone with 862 MHz spectrum bandwidth, which is greater than the international industry average. The additional spectrum bandwidth provides us with sufficient capacity to offer our customers increasingly data intensive services without the need to extend our fiber based network backbone closer to our subscribers' homes.

During 2009, we fully upgraded our network to EuroDocsis 3.0 technology, which allows us to more efficiently manage our data traffic and thus offer additional broadband capacity across our network. We currently offer broadband Internet service with top download speeds of 120 Mbps in Utrecht, The Hague, and other metropolitan areas within our network area. We expect to complete the roll-out of 120 Mbps service across our entire network during 2010. We believe that our upgraded cable network allows us to offer broadband Internet speeds that exceed those possible under current DSL and VDSL connections and that are competitive with speeds offered by fiber-to-the-home connections.

We also provide our services over certain cable networks owned by third parties. We offer this service on an exclusive and non-exclusive basis to small cable network owners who have not developed the capability to offer premium products such as digital television, broadband Internet and telephony. As of December 31, 2009, approximately 130,000 of the approximately four million homes passed by our network were reached by a third party owned network.

Competition

The cable television, broadband Internet and telephony markets are competitive, and we face significant competition from established and new competitors in these areas. See "Risk Factors—Risks Relating to Our Business and Industry—We operate in a competitive industry, and competitive pressures could have a material adverse effect on our business" and "Industry and Market Overview".

Regulation

Overview

The television, telephony and Internet access industries in which we operate are regulated at the European Union level. In the Netherlands, these regulations are implemented through the *Telecommunicatiewet* (the Dutch

Telecommunications Act, or DTA) and the *Mediawet* (the Dutch Media Act, or DMA) and related legislation and regulations. OPTA and the *Agentschap Telecom* (the Dutch National Telecom Agency, or AT) supervise and enforce compliance with certain parts of the DTA. Pursuant to the DTA, OPTA is also designated as a National Regulating Authority, or NRA, together with the Dutch Ministry of Economic Affairs. The *Commissariaat voor de Media* (the Dutch Media Authority, or CvdM) is authorized to supervise and enforce compliance with the DMA.

In addition to complying with industry-specific regimes, we must comply with both specific and general legislation concerning, among other areas, competition, data protection, data retention, Internet service provider liability, consumer protection and e-commerce.

Europe

The body of European Union law that deals with electronic communications regulation consists of a variety of legal instruments and policies, collectively referred to as the Regulatory Framework. The key elements of the Regulatory Framework are (i) various European Union directives that require the European Union's Member States to harmonize their laws and (ii) certain European Union regulations (*e.g.*, EU Roaming Regulation no. 717/2007) that have effect without any national transposition.

The Regulatory Framework primarily seeks to open European markets for public electronic communications services. It harmonizes the rules for the establishment and operation of public electronic communications networks, including cable television networks and traditional telephony networks, as well as the offer of public electronic communications services, such as telephony, Internet and, to some degree, television services. The Regulatory Framework does not generally address issues of content.

On November 24, 2009, the European Parliament and the European Council agreed on a set of amendments to the Regulatory Framework. The amendments to the Regulatory Framework, which were published in the European Union Official Journal on December 18, 2009, must be transposed in each of the European Union Member States before June 19, 2011. Generally, the changes to the Regulatory Framework are limited, but they will affect us. Certain new powers will be given to national regulators, in the Netherlands to OPTA. Also, enhanced powers will be given to Member States to impose quality of service requirements on Internet service providers, which may restrict our flexibility with respect to providing broadband Internet services.

Although the distribution of video channels by a cable operator falls within the scope of the Regulatory Framework, the activities of a broadcaster are harmonized by other elements of European Union law, in particular the Audiovisual Media Services Directive, or AVMS. The AVMS, which was adopted on December 11, 2007, amended the European Union's existing Television Without Frontiers Directive, TVWF. The AVMS has been implemented in the Netherlands through the DMA. Under the AVMS, broadcasts originating in and intended for reception within an European Union Member State must generally respect the laws of that Member State. Pursuant to both the AVMS and TVWF, however, and in accordance with what is referred to as the "country of origin principle", an European Union Member State must allow within its territory the free transmission of broadcast signals of a broadcaster established in another European Union Member State so long as such broadcaster complies with the laws of its home state.

The Netherlands

The DTA sets forth an exhaustive list of conditions that may be imposed on electronic communications networks and services. Possible obligations include interoperability and interconnection regulations, *ex ante* regulations for providers with significant market power, financial charges for universal services or for the costs of regulation, environmental requirements, data protection regulations, data retention and wiretapping obligations, consumer protection rules, "must carry" obligations, provision of customer information to law enforcement agencies and access obligations. Certain key provisions included in the DTA are described below, but this description is not intended to be a comprehensive description of all regulations in this area.

Licensing and exclusivity

The Regulatory Framework requires the Netherlands to abolish exclusivities on public electronic communications networks and services and to allow operators into its markets. Therefore, the provision of public electronic communications networks or services cannot be subject to a permit or other administrative requirements. Instead, the DTA contains a system of general authorizations. A provider of a public electronic communications network or service needs to notify OPTA of its network or service, which will register the notification. The purpose of the notification is to increase transparency and to ensure effective regulation and does not constitute a formal condition for market entry.

With regard to scarce resources such as telephone numbers and frequencies, a system of licenses applies. AT administers the frequency spectrum and grants licenses. OPTA administers licenses with regard to telephone numbers.

Access, interoperability and interconnection

All providers of public electronic communications networks or services who control access to end-users are obliged to enter into negotiations upon the request of a competitor to conclude an interoperability agreement. Interoperability refers to all measures, including access and interconnection, that should be implemented to ensure end-to-end connections. If a provider does not comply with its obligation to enter into negotiations, OPTA, at the other party's request, can impose proportionate obligations on the provider in order to ensure end-to-end connectivity. Where commercial negotiation fails, OPTA has the power to secure access, interconnection and interoperability in the interest of end-users. The interoperability obligations imposed by OPTA must be objective, transparent, reasonable and non-discriminatory.

Significant market power

To ensure that the telecommunications markets become genuinely competitive, OPTA can impose *ex ante* regulation by means of market analyses on operators or service providers that have significant market power (equated here to dominance) in a relevant market. *Ex ante* regulation means that OPTA sets behavioral rules beforehand with which operators or service providers with significant market power must comply. For example, the provisions of the DTA permit OPTA to impose certain access obligations on providers of public electronic communications networks that have significant market power.

Before it can be established whether an operator or service provider has significant market power, OPTA needs to determine, in accordance with the principles of the general European competition law, in which relevant market(s) the operator or service provider competes. OPTA must do this while following the "Commission Recommendation on the relevant product and service markets (2007/879/EC)", published by the European Commission. In this recommendation, the European Commission predefined those product and service markets in which *ex ante* regulation may be warranted. Until November 2007, there were 18 such markets, but on November 13, 2007, the Commission adopted a new recommendation reducing the list of markets to seven. OPTA is required to investigate these seven predefined markets, which consist of the following:

- Access at the retail level to the public telephone network at a fixed location for residential and non-residential customers;

- Wholesale call origination on the public telephone network provided at a fixed location (call origination is taken to include call conveyance, delineated in such a way as to be consistent, in a national context, with the delineated boundaries for the market for call transit and the market for call termination on the public telephone network provided at a fixed location);

- Wholesale call termination on individual public telephone networks provided at a fixed location (call termination is taken to include call conveyance, delineated in such a way as to be consistent, in a national context, with the delineated boundaries for the market for call origination and the market for call transit on the public telephone network provided at a fixed location);

- Wholesale (physical) network infrastructure access (including shared or fully unbundled access) at a fixed location;

- Wholesale broadband access;

- Wholesale terminating segments of leased lines, irrespective of the technology used to provide leased or dedicated capacity; and

- Wholesale voice call termination on individual mobile networks.

OPTA may also predefine additional relevant markets. A company will be deemed to have significant market power if it, either individually or jointly with others, enjoys a market position equivalent to dominance, *i.e.*, a position of economic strength affording it the power to behave to an appreciable extent independently of competitors, customers and ultimately consumers.

If OPTA determines that a company has significant market power, OPTA will have to impose one or more appropriate obligations. These obligations relate to, among other things, access and use of specific network facilities, non-discrimination, transparency, the level of end-user tariffs and cost allocation. To ensure a proper functioning of the market, these obligations may not be disproportionate. OPTA also monitors compliance with *ex ante* regulations. OPTA completed its first round of market analyses in 2004-2005, which were effective during the period of 2006-2008. In 2008, OPTA finished its second round of market analyses, which are currently in effect for the period of 2009-2011.

As a general matter, OPTA may investigate any of the seven predefined markets or additionally defined markets. In the event that we are found to have significant market power in any such market, OPTA may impose certain obligations on us. The European Commission has the power to veto a finding by OPTA of significant market power (or the absence thereof) in any market, whether or not it is included in the seven predefined markets.

OPTA has recently determined that we do have significant market power in two markets. More specifically, OPTA has found that we have significant market power in the wholesale market for call termination on public telephone networks (the third market in the list above and hereafter referred to as the "call termination market") and in the market for wholesale broadcasting transmission services (an additional OPTA-defined market). The relevant OPTA decisions are discussed below.

OPTA call termination market analysis decision

With respect to the call termination market, on December 19, 2008, OPTA published a market analysis decision concluding that all providers of call termination on fixed-line networks in the Netherlands have significant market power since all such providers control access to end-users connected to their respective public telephone networks. As a result, we are subject to specific obligations regarding access, transparency (*i.e.*, publication of a reference offer) and tariff regulation.

OPTA broadcast market analysis decision

With respect to television services, on March 5, 2009, OPTA published a market analysis decision regarding our broadcast transmission platform. In that decision, OPTA found that we have significant market power in the market for wholesale broadcasting transmission services due to the lack of competitors' access to our broadcast transmission platform. The broadcast market analysis decision imposes a number of obligations on us regarding access, non-discrimination, transparency (*i.e.*, publication of a reference offer) and tariff regulation.

With respect to interested third parties, the access obligations require us (i) to grant access to network elements and facilities that are reasonably necessary to transmit both analog and digital television signals to end-users; (ii) to resell our analog television package by means of wholesale line rental cable, or WLR-C, and, in conjunction with any such resale, to also resell the relevant customer connection; and (iii) to grant access to our digital conditional access system, including access to our operational supporting systems, enabling third parties to offer their own digital content via our network.

We will not be allowed to discriminate between third parties and our own retail business in making these services available. This entails, for example, a prohibition on offering loyalty discounts to particular customers and an obligation to offer the same availability and quality levels to all end-users, whether they are pure Ziggo customers or customers receiving our content through resellers.

OPTA has forced us to base our prices for the transmission of radio and television signals on our costs (cost-oriented prices). Apart from this, we are obliged to base our WLR-C tariffs on a retail-minus system in conjunction with a price cap. With regard to WLR-C wholesale services to which the retail-minus regime cannot be applied, OPTA has forced us to use cost-oriented tariffs. Furthermore, OPTA concluded that the applicable tariff regime (cost-oriented or retail-minus) also applies to the accompanying facilities. When applying one of the abovementioned tariff regimes, we will need to take into account the conditions as set forth in the broadcast market analysis decision.

WLR-C tariff decision

The broadcast market analysis decision required us to develop and submit to OPTA a cost model for the resale of our standard analog television package to third party providers by means of WLR-C. Having reviewed our proposal, OPTA published on November 26, 2009 its draft tariff decision. In its draft decision, OPTA significantly deviated from the WLR-C tariff that we proposed, which was €11.00 per month, and instead proposed a tariff of €8.45 (excluding VAT). OPTA's draft decision was subject to national and European Union consultation, and we submitted comments on the draft decision on January 7, 2010. After further review, OPTA published its final WLR-C tariff decision on March 10, 2010, which kept the tariff at €8.45 (excluding VAT). As a result, we may not charge a third party provider more than €8.45 (excluding VAT) per month for WLR-C, regardless of the geographical market involved or the resale price charged by the relevant provider.

WLR-C implementation decision

The broadcast market analysis decision also required us to submit a proposal, or reference offer, to OPTA with respect to the operational implementation of the WLR-C decision. We submitted our WLR-C reference offer on May 18, 2009. Having reviewed our proposal, OPTA published on October 30, 2009 its draft implementation decision. OPTA's draft decision contained important amendments to the operational implementation that we had proposed, including considerable acceleration of the roll-out of WLR-C (requiring us to make available a first rudimentary WLR-C offer to third parties within six weeks of the final OPTA implementation decision and to make available a full WLR-C offer after 20 weeks, rather than the eight-month period we had proposed). As with OPTA's draft WLR-C tariff decision, the draft WLR-C implementation decision was subject to national and European Union consultation, and we submitted comments on the draft decision on December 11, 2009. Following its review of various parties' comments, OPTA published its final WLR-C implementation decision on March 10, 2010, alongside its WLR-C tariff decision.

OPTA's final WLR-C implementation decision was more favorable to our proposal than OPTA's final WLR-C tariff decision was. Pursuant to the final WLR-C implementation decision, within 12 weeks of the decision (*i.e.*, by early June, 2010), we must provide a simplified WLR-C offer for "analog-only" customers. We must then fully implement a complete WLR-C offer within eight months of the publication of OPTA's final WLR-C implementation decision (*i.e.*, by early November, 2010).

We are appealing OPTA's WLR-C decision with respect to both the tariff and the implementation.

Digital transmission capacity tariff decision

The broadcast market analysis decision also required us to develop a cost model for allowing third party access to our digital transmission capacity. The cost model we submitted with respect to the WLR-C decision also covered tariffs for digital transmission. OPTA postponed its review of our digital transmission cost model, but a final decision is expected during the second quarter of 2010.

Digital transmission capacity implementation decision

Finally, the broadcast market analysis decision also required us to submit a proposal, or reference offer, to OPTA with respect to implementation of the digital transmission capacity decision. We submitted such a reference offer on November 2, 2009. Industry group discussions are currently ongoing, and OPTA's final decision is expected during the second quarter of 2010.

Appeals procedure

We filed an appeal against the broadcast market analysis decision on April 15, 2009. In summary, we believe that the measures proposed by OPTA are unnecessary and disproportionate. The hearing of this appeal before the *College van Beroep voor het Bedrijfsleven* (Trade and Industry Appeals Tribunal) took place on March 18, 2010, and a decision is expected in late April 2010.

Universal service provision and end-user protection

The fundamental requirement of universal service is to provide all end-users on request with a connection to the public telephone network with a certain minimal level of quality at an affordable price. This means that OPTA monitors the evolution and level of retail tariffs and quality of services provided. Universal service obligations constrain the possibilities of providers and involve costs that generally allow providers who are not subject to such obligations to make a greater profit than providers who are subject to such obligations. Apart from complying with universal service obligations, providers must comply with certain regulations protecting end-users, regarding information obligations toward consumers, amendments to end-user contracts, termination rights of consumers, quality reporting, access to emergency numbers and subscriber information.

Data protection

For providers of public electronic communications networks or services, a strict data protection regime applies in the Netherlands. In addition to the general data protection framework of the *Wet bescherming persoonsgegevens* (Data Protection Act), the DTA sets out specific regulations for providers of public electronic communications networks and services. These regulations entail technical facilities that must be offered, such as specification of invoices, telephone number identification and transfer of calls. Apart from this, the DTA provides rules regarding the use and processing of location data and traffic data (*i.e.*, call detail records), subscriber lists and spam.

Wiretapping and data retention

Providers of public telecommunication networks and services can only make their networks and services available to clients if they have arranged their networks and services in such a manner that they can be wiretapped promptly. Providers of public telecommunication networks and services are obliged to cooperate fully in the execution of a lawfully given special order or permission, in accordance with the technical and procedural requirements set forth in the *Besluit aftappen openbare telecommunicatienetwerken en—diensten* (Wiretapping of Public Telecommunications Networks and Services Decree) and the *Besluit beveiliging gegevens aftappen telecommunicatie* (Security Data Tapping Telecommunication Decree).

To the extent that those data are generated or processed, providers of public telecommunications networks and services must retain traffic and location data and the related data necessary to identify the client or user for the investigation, detection and prosecution of serious criminal offenses. The data must be retained for a period of twelve months from the date of the communication, though a legislative amendment is currently pending that would cut the retention period to six months with regard to Internet data. The data retention obligations impose an administrative and financial burden on providers of public telecommunications networks and services in the Netherlands.

Radio and television transmission

The distribution, but not the content, of television services to the public is regulated by the DMA, entailing "must carry" obligations regarding the transmission of specified radio and television broadcast channels. We are subject to such "must carry" obligations. To accommodate the transition from analog broadcasting to digital broadcasting, the "must carry" obligations are differentiated accordingly. If a provider has more customers receiving its programming by analog means than by digital means, the transmission obligations for analog broadcasting will apply to such provider. If, on the other hand, the number of customers with digital programming reception exceeds the number with analog reception, the transmission obligations for digital broadcasting will apply.

Licenses

We believe that we hold all licenses necessary to operate our business. See "—Regulation".

Employees and Pension Obligations

The table below sets forth the number of full-time employees (including external personnel) we employed as of the dates indicated.

	As of December 31,	
	2008	**2009**
Marketing and sales	97	115
Network monitoring and maintenance	594	612
Customer and technical services	1,433	1,341
Home office, information technology and finance	349	414
Business services	61	57
Total number of employees	2,534	2,539

We estimate that a small percentage of our employees are members of a labor union. On September 18, 2009, we entered into a collective labor agreement with our employees' labor unions, which applies to approximately 95% of our employees and provides for, among other things, annual salary increases. The collective labor agreement expired on April 1, 2010, and we have recently reached an agreement in principle on a new collective labor agreement with the labor unions, who have requested that their members vote in favor of the agreement.

As of December 31, 2009, substantially all of our employees were covered by a pension program. We cooperate with third party pension insurance organizations. Under these programs, we have no obligation for pension plan deficits other than higher future pension insurance premiums.

We believe that our employee relations are good and have not experienced any labor-related work stoppages during the three years ended December 31, 2009.

Insurance

We have insurance coverage under various liability and property insurance policies for, among other things, property damage and business interruption. Our fixed assets such as technical and office equipment in our network operating center, network hubs and headends and office locations, except for our office buildings, which are leased, and except for portions of our cable network, are protected by a bundled industrial insurance policy (damages from fire, catastrophe, burglary, piped water, storm and hail) that includes business interruption insurance when business interruption is caused by damage to insured property. We do not have insurance for all risks of property damage to our network because our network includes redundant capacity that can be utilized to maintain service in the case of damage to a portion of our network. In addition, we do not have insurance coverage for all interruption of operations risks because we believe that these risks cannot be insured or can only be insured on unreasonable terms. There is also no protection against the risk of failure by customers to pay. We also have various legal services and motor vehicle insurance policies including third-party liability insurance as well as fully comprehensive coverage for our vehicle fleet.

We provide directors and officers liability insurance for all members of the Issuer's board of directors and Zesko Holding B.V.'s management board and the supervisory board, as well as certain other persons within the Ziggo Group. See "Management".

We believe that our existing insurance coverage, including the amounts of coverage and the conditions, provides reasonable protection, taking into account the costs for the insurance coverage and the potential risks to business operations. However, we cannot guarantee that no losses will be incurred or that no claims will be filed against us that go beyond the type and scope of the existing insurance coverage.

Legal Proceedings

We are involved in a number of legal proceedings that have arisen in the ordinary course of our business. Other than as discussed below, we do not expect the legal proceedings in which we are involved or with which we have been threatened to have a material adverse effect on our business or consolidated financial position. The outcome of legal proceedings, however, can be extremely difficult to predict with certainty, and we can offer no assurances in this regard.

GemStar-TV Guide International, Inc. holds a large patent portfolio related to electronic program guide, or EPG, products and services. GemStar has alleged that we infringe upon three of these patents. GemStar claims that any of our cable customers who receive digital television is infringing GemStar's patents by using EPG functionalities built into their set-top box that involve GemStar's patents and that we as a service provider are liable for such infringements regardless of whether any individual cable customer uses a set-top box purchased from us or a third party. GemStar has requested that we stop using patented EPG functionalities and we replied in November 2009 explaining that we are unable to decide on our position because GemStar has not yet substantiated its claims properly. In December 2009, one of the three patents at issue was invalidated by the European Patent Office and we believe that the other two patents are susceptible to similar challenges to their validity. If GemStar does initiate litigation against us for patent infringement we will accordingly defend our position. The possible financial impact of such an infringement action is difficult to predict. In the case of an adverse outcome, it is likely that we would have to pay substantial royalties to GemStar. Although several of our set-top box suppliers provide us with indemnities for losses caused by the infringement of intellectual property by their products and several of our large set-top box buyers have entered into direct licensing agreements with Gemstar, such protections may not be sufficient to cover all royalty payments that we may be required to make to Gemstar.

We are currently engaged in several disputes with local public organizations that are charged with advising television operators on obligatory television programming, or Program Counsels, relating to the distribution of channels on our standard cable service. Several Program Councils have requested administrative sanctions against us, arguing that certain television channels that they have advised us to carry are distributed only in the digital part of the standard package where they should be distributed in the obligatory analog part of the standard package. We based our decision to distribute the disputed channels in this way because we believe that, as a result of our reduction of the analog package from 34 to 30 channels, it is unreasonable for us to carry all of the disputed channels, which would necessarily displace more popular channels. The Commissariaat voor de Media in administrative hearings decided in favor of two Program Counsels and ruled that we must carry the disputed channels in our analog package within those localities. We have appealed the decision. As a result of this ruling and any similar rulings in the future, we may be subject to administrative fines and may be required to displace more popular programming with programming advised by Program Counsels, which could affect the popularity of our service. In addition, disputes with Program Counsels may lead to negative publicity that affects our brand and market image. In the future, disputes with Program Counsels may intensify as we may seek to further reduce the number of analog channels in our standard cable service in order to make more frequency bandwidth available for our digital and interactive television, broadband Internet and telephony services.

We may become involved in disputes with two Dutch municipalities, Den Bosch and St Michielsgestel, in which those municipalities may claim that other municipalities concluded more favorable deals with us and, as a result, the terms of our agreements with Den Bosch and St Michielsgestel should be modified pursuant to "best deal" clauses in those agreements. Although no claims against us have been made so far, we have reserved on our balance sheet

€5.2 million (plus €3.8 million in interest) in respect of potential claims by Den Bosch and €1.1 million (plus €0.9 million in interest) in respect of potential claims by St Michielsgestel.

The Dutch tax authorities are currently conducting a regular tax audit in respect of the years ending December 31, 2005, 2006 and 2007. Corporate tax due on the operations of the Ziggo Group is assessed on Zesko B.V., which files a consolidated tax return for corporate tax purposes. In connection with the audit, the Dutch tax authorities have requested additional information from Zesko B.V. regarding interest on shareholder loans it received from Even Investments 2 Sàrl. The tax audit has only recently started and is still in its early stages. Its outcome is therefore unclear. If the Dutch tax authorities were to disallow the deduction of all or a portion of the interest expense related to these shareholder loans on Zesko B.V.'s consolidated tax return, Zesko B.V. would, based on our estimates, not be required to pay additional cash taxes for the years under audit but may be required to pay higher taxes than expected in future years due to a lower amount of tax losses carried forward. Although the head of the consolidated tax group is primarily liable for the tax, all entities that are included in the consolidated tax group are jointly and severally liable for the corporate tax due by the entire consolidated group. The outcome of the audit therefore may adversely affect our financial position.

MANAGEMENT

The Issuer

The Issuer is a private limited company, incorporated under the laws of the Netherlands on March 30, 2010. The statutory corporate director of the Issuer is Zesko B.V. The following table sets forth certain information with respect to members of the board of directors of Zesko B.V. as of the date hereof.

Name	Age	Position
Bernard Dijkhuizen	61	Director
Bert Groenewegen	46	Director
Marcel Nijhoff	49	Director
Paul Hendriks	42	Director

Each of the Issuer's existing directors is also a member of the Management Board of Zesko Holding B.V.

Zesko Holding B.V.

We are controlled by our parent company, Zesko Holding B.V., or Zesko Holding. Zesko Holding is a private limited liability company (*besloten vennootschap*) incorporated under the laws of the Netherlands. Zesko Holding has a two-tier board structure consisting of a management board (*directie*) (the "Management Board") and a supervisory board (*raad van commissarissen*) (the "Supervisory Board"). The Management Board is responsible for the day-to-day management of our operations and is supervised by the Supervisory Board.

Supervisory Board

Name	Age	Position
Andrew Sukawaty	55	Chairman
David Barker	42	Member
Caspar Berendsen	35	Member
Paul Best	31	Member
Joseph Schull	49	Member
Dirk van den Berg	57	Member
Anne Kist	65	Member

Mr. Sukawaty joined the Supervisory Board in 2008 and serves as Chairman. He is chairman and Chief Executive Officer of Inmarsat, a global mobile satellite communications service provider, and also serves as non-executive chairman of Xyratex Ltd. Mr. Sukawaty is a former chairman of Telenet Communications NV and deputy chairman of O2 plc. He was President and Chief Operating Officer of Callahan Associates International between 2000 and 2003. Mr. Sukawaty worked with Sprint PCS, the then fastest growing wireless provider in the United States, from 1996 to 2000. Prior to joining Sprint PCS, he was Chief Executive Officer of NTL Limited, and between 1989 and 1994, Chief Operating Officer of Mercury One-2-One. In the late 1970s and early 1980s, Mr. Sukawaty worked on the business development of mobile telephony and paging technologies in the United States. He has worked in various managerial positions with both US West Inc and AT&T.

Mr. Barker joined the Supervisory Board in 2006. Mr. Barker has been working with Cinven as a member of the Technology, Media and Telecommunications team since 1996. Prior to Cinven, he worked at Morgan Crucible for three years and at Arthur Andersen. Mr. Barker graduated from Cambridge University with a degree in Natural Sciences.

Mr. Berendsen joined the Supervisory Board in 2009. Mr. Berendsen joined Cinven in 2003 and is a member of the Financial Services sector team. Prior to Cinven, Mr. Berendsen worked at JP Morgan in London, advising Dutch and Belgian clients in a variety of sectors.

Mr. Best joined the Supervisory Board in 2006. Mr. Best joined Warburg Pincus in 2002. Prior to Warburg Pincus, Mr. Best worked at Morgan Stanley in the Investment Banking and Fixed Income divisions. He holds a bachelor's degree in Mathematics from Cambridge University.

Dr. Schull joined the Supervisory Board in 2006. He joined Warburg Pincus in 1998 and focuses on the firm's European TMT (technology, media and telecommunications) investments. He is a member of Warburg Pincus' Executive Management Group, which coordinates the firm's investment activities on a worldwide basis. Prior to joining Warburg Pincus, he was deputy director for Russia and Eastern Europe at The Ford Foundation. He holds a B.A. and M.A. from

McGill University and received a D.Phil from Oxford University, where he was University Lecturer in Soviet and East European Studies from 1990 to 1991.

Mr. van den Berg joined the Supervisory Board in March 2009. He is president of the executive board of Delft University of Technology since March 2008. Among his previous positions, Mr. van den Berg has acted as her Majesty's ambassador in China, Permanent Representative for the Netherlands to the United Nations in New York, Secretary General of the Ministry of Foreign Affairs and Deputy Director General at the Ministry of Economic Affairs.

Mr. Kist joined the Supervisory Board in 2009. Mr. Kist regularly advises the Ministry of Transport and the Ministry of Public Works and Water Management. Mr. Kist was the first Director-General of the Dutch Competition Authority, where he worked from 1997-2003. He served as a member of the Dutch Authority Financial Markets between 2005 and 2007 and as Chairman of the Board of the University of Leiden from 2003-2005. Mr. Kist began his career as a lawyer, and was a partner at Loeff Claeys Verbeke and Pels Rijcken & Droogleever Fortuijn between 1979 and 1997.

The address of each member of the Supervisory Board is Postbus 43048, 3540 AA Utrecht, the Netherlands.

Management Board

Name	Age	Position
Bernard Dijkhuizen	61	Chief Executive Officer
Bert Groenewegen	46	Chief Financial Officer
Marcel Nijhoff	49	Chief Commercial Officer
Paul Hendriks	42	Chief Technology Officer

Executive Officers

Name	Age	Position
Martine Ferment	47	Chief Services Officer
Tom Verhulst	56	Chief Information Officer
Dedi Veldhuis	58	Vice President Human Resources Management
Arent van der Feltz	49	Vice President Strategy, Legal & Regulatory Affairs / New Business Development
John Burger	49	Director Corporate Communications
Hendrik de Groot	45	Managing Director, Business to Business

Mr. Dijkhuizen became Zesko Holding Chief Executive Officer in 2007 having previously been Chief Executive Officer of Essent Kabelcom B.V. He was general manager at Essent Kabelcom B.V. from 2002 to 2007. Prior to 2002, Mr. Dijkhuizen was Managing Director of Libertel Network (part of Vodafone) and served on Libertel Network's management board. He was Managing Director of Philips Projects from 1998 to 2000. His early career was with Fokker in production, engineering and commerce. From 1994 until 1996 he served as a member of Fokker's board and as Vice President Marketing, Sales and Services. He then went on to serve as President of Stork Fokker Services. Mr. Dijkhuizen studied Mechanical Engineering at Delft University of Technology.

Mr. Groenewegen became Zesko Holding Chief Financial Officer in 2010. Prior to joining the Management Board. Mr. Groenewegen was Chief Executive Officer of PCM Uitgevers, after first having been Chief Financial Officer from 2005.

Mr. Nijhoff became Zesko Holding Chief Commercial Officer in 2007. Prior to joining the Management Board, Mr. Nijhoff was CEO at Multikabel N.V. for two years and Commercial Director from 2001 to 2005. Mr. Nijhoff worked for PrimaCom RegionMitte in Leipzig, Germany between 2000 and 2001. During the late 1990s, he was Vice President Marketing with Amsterdam cable operator A2000.

Mr. Hendriks became Zesko Holding Chief Technology Officer in 2008. Between 1992 and 2007 he managed a series of divisions at KPN, including Design & development, Operations South-East, and Business Lines (Telephony and Broadband) as well as a series of major change programs, including Voice over IP and All IP. During his time at KPN, Mr. Hendriks also served as a crisis manager. Mr. Hendriks has acted as consultant, project manager and architect for a series of restructurings, reorganizations and innovations.

Ms. Ferment became Zesko Holding Chief Services Officer in 2009, prior to which she was operations manager at Wehkamp. As an executive consultant, Ms. Ferment was the ad interim director at Casema Holding B.V. in 2003 and Essent Kabelcom B.V. in 2007. Prior to these roles, she was the Netherlands' call centre practice senior manager for Ernst & Young. Ms. Ferment is the founder and owner of Ferment Management, a leading customer service firm in Europe. She has over 18 years experience in customer relationship management both as a customer service director and an executive management consultant. Ms. Ferment previously served as Customer Service Director at Vodafone NL and Amazon.com.

Mr. Verhulst became Zesko Holding Chief Information Officer in 2007. Before joining the Management Board, Mr. Verhulst was Manager Operations of Fortis and prior to that, a Program Manager Outsourcing at Delta Lloyd. In 2003 he served as Vice President Infrastructure for Atos Origin, joining the group following his role as Chief Information Officer at Nuon. Earlier in his career, Mr. Verhulst worked for BAC, Ernst & Young, Rabobank International and Start. He studied Polemology at VU University Amsterdam.

Ms. Veldhuis became Zesko Holding Vice President of Human Resources Management in 2007. Ms. Veldhuis had been responsible for human resource management at Essent Kabelcom B.V. since 1998. Throughout the 1980s and 1990s, she worked in a broad variety of organizations and industries, including healthcare and telecoms, in different roles, including board member, manager, development adviser and trainer. Ms. Veldhuis has been focused on the human resource management profession for the past 15 years.

Mr. van der Feltz became Zesko Holding Vice President Strategy, Legal and Regulatory Affairs / New Business Development in 2007. Prior to our formation, Mr. van der Feltz was responsible for Marketing & Sales at Essent Kabelcom B.V. He spent nine years as Director of Strategy and Director of Marketing at Libertel / Vodafone. Mr. van der Feltz was a Director of Business Development at Philips in the Communication Systems Division, in France and the Netherlands from 1991 to 1995 and, prior to that, at UPC Belgium between 1995 and 1996. Earlier in his career, from 1985 to 1991, Mr. van der Feltz worked as a lawyer in The Hague, Paris and Los Angeles.

Mr. Burger became Zesko Holding Director Corporate Communications in 2008. Prior to joining the Management Board, Mr. Burger was Director Communication and Change with the services unit of ABN AMRO, from 2006 to 2008. Originally a chemist and scientist, Mr. Burger has been working in communications since 1991. Starting his career in public relations and business-to-business marketing communication, Mr. Burger now specializes in reputation management, issue management, internal communication, and change communication.

Mr. de Groot became Zesko Holding Managing Director, Business to Business in 2010. He was Project Group Director to COLT Telecommunications Group in London from 2006 to 2009 and was Head Global Accounts at Vodafone Group in Newbury from 2003 to 2006. Prior to Vodafone, he served as Vice President for nine years at International MCI (now Verizon Business International). He began his career with BT Europe in the Benelux, working in sales and marketing. Mr. de Groot completed his academic studies at Nyenrode Business Universiteit and VU University Amsterdam.

The address of each individual listed above is Postbus 43048, 3540 AA Utrecht, the Netherlands.

PRINCIPAL SHAREHOLDERS

Each of the Cinven Funds and the Warburg Pincus Funds owns 37.3% of Even Investments Sàrl's equity and certain private equity investment funds co-investing with the Cinven Funds and the Warburg Pincus Funds own the remaining 25.4% of Even Investments Sàrl's equity (the "Co-Investors"). The Cinven Funds and the Warburg Pincus Funds each have certain board representation and approval rights described below. The Co-Investors do not have any such rights. Even Investments Sàrl owns approximately 96.3% of the equity of Even Investments 2 Sàrl and our senior management owns approximately 3.7% of Even Investments 2 Sàrl's equity.

Cinven

Cinven is a leading private equity provider for large European buyouts, having led transactions totalling in excess of €60 billion. Since 1996, the Cinven team has completed 37 buyouts of more than €500 million in eight countries across Europe. Cinven focuses on six sectors across Europe: business services; consumer; financial services; healthcare; industrials; and TMT and has offices in London, Frankfurt, Milan, Paris and Hong Kong. Cinven has extensive experience in the cable and satellite industry as demonstrated by the consolidation of the French cable market (Numericable and Completel) and the investment in Eutelsat.

Warburg Pincus

Warburg Pincus is a leading global private equity firm. The firm invests in a range of sectors including healthcare, financial services, energy, TMT, consumer and industrial. Founded in 1966, Warburg Pincus has raised 13 private equity funds which have invested more than $35 billion in approximately 600 companies in more than 30 countries. Warburg Pincus has invested approximately $10 billion in approximately 200 technology, media and telecommunications companies around the world. In Europe, the firm's cable television-related investments include Comcast Cable Partners UK and Fibernet. The firm has offices in Beijing, Frankfurt, Hong Kong, London, Mumbai, New York, San Francisco, Shanghai and Tokyo.

Shareholders Agreement

On September 11, 2006, Cinven, certain funds affiliated with Cinven, certain funds affiliated with Warburg Pincus, various other investors investing alongside and aligned with one or both of our sponsors, Even Investments Sàrl and Zesko Holding entered into an agreement to record certain arrangements that those parties had agreed should apply to their administration of Even Investments Sàrl and its subsidiaries. This agreement was subsequently amended and restated on December 28, 2006 (the "Shareholders Agreement").

Board and Committee Composition

The Shareholders Agreement sets out the rights of Even Investments Sàrl's various shareholders to appoint members of the board of managers of Even Investments Sàrl (the "Even Board"), the Supervisory Board of Zesko Holding (the "Supervisory Board") and all other boards and committees of Even Investments Sàrl's subsidiaries (together with the Even Board and the Supervisory Board, the "Group Boards"). The Cinven Funds and the Warburg Pincus Funds have equal rights with respect to the appointment of members of all Group Boards, and the mechanics of the Shareholders Agreement ensure equal representation on Group Boards by Cinven-designated nominees and Warburg Pincus-designated nominees (at least as long as the ownership interests remain parallel).

Board Approval

The Shareholders Agreement provides that certain significant actions may not be undertaken by Even Investments Sàrl without the approval of one Cinven-appointed manager and one Warburg Pincus-appointed manager on the Even Board, and, in exceptional circumstances, the consent of more than two-thirds of the Even Investments Sàrl shareholders may be required. Zesko Holding and its subsidiaries, including the Ziggo Group, may undertake significant actions only with the consent of the Supervisory Board. The Supervisory Board is able to make decisions only if at least one Cinven-appointed manager and one Warburg Pincus-appointed manager votes in favor of such decision. The Shareholders Agreement is structured to ensure that the Supervisory Board (and therefore Cinven and Warburg Pincus) is ultimately in control of any meaningful operations of any member of Zesko Holding and its subsidiaries, including the Ziggo Group.

Other Provisions

The Shareholders Agreement requires each of Even Investments Sàrl and Zesko Holding to provide the shareholders with certain information, including annual budgets and financial accounts. In addition, Even Investments Sàrl is required to procure adequate insurance for Even Investments Sàrl and its subsidiaries, including the Ziggo Group, and procure that the businesses of the Ziggo Group are properly managed and that all applicable laws are complied with. A claim in respect of a breach of any of Even Investments Sàrl's obligations under the Shareholders Agreement may be brought by a shareholder only with the prior written consent of more than two-thirds of the shareholders. The Shareholders Agreement also includes a number of other customary provisions, including restrictions on transfers and confidentiality obligations.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Management Fees

We paid management and administration fees to Cinven and Warburg Pincus in the aggregate amount of €0.5 million, €0.7 million and € 0.5 million in the years ended December 31, 2007, 2008 and 2009, respectively. Under the terms of the Indenture, we are permitted to pay up to €5.0 million per year to one or more entities related to our sponsors for administration and management services.

Ordinary Course Transactions

In the ordinary course of our business, we provide cable, broadband Internet and telephony services to certain of our directors and executive officers. We do not consider these transactions to be material to us, either individually or in the aggregate.

DESCRIPTION OF OTHER INDEBTEDNESS

Set forth below is a summary of certain of our existing significant debt arrangements. The following summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents.

Senior Secured Credit Facilities

ABC B.V., as guarantor, entered into a Senior Credit Agreement dated September 12, 2006, subsequently amended and restated on November 17, 2006 and on the closing date for the Offering, with RBS N.V. (formerly known as ABN AMRO Bank N.V.), Credit Suisse, Goldman Sachs International, ING Bank N.V. and Morgan Stanley Bank International Limited, as joint mandated lead arrangers, for the original purpose of acquiring the Casema Business in 2006 and the @Home Business in 2007 (the “Amended Senior Credit Agreement”). Plinius Investments B.V., Serpering Investments B.V. and Torenspits B.V. are the original borrowers and guarantors under the Senior Secured Credit Facilities. In addition, certain members of the Ziggo Group are guarantors under the Senior Secured Credit Facilities, each guaranteeing, subject to certain limitations, the obligations of each other borrower and guarantor (all such borrowers and guarantors together, the “Obligors”).

Structure

The Amended Senior Credit Agreement provides for facilities of €3,350 million, comprising the following:

- a term loan A facility of €500 million (the “Term Loan A Facility”);
- a term loan B facility of €1,100 million (the “Term Loan B Facility”);
- a term loan C facility of €1,100 million (the “Term Loan C Facility”);
- a term loan D facility of €250 million (the “Term Loan D facility”, and together with the Term Loan A Facility, the Term Loan B Facility and the Term Loan C Facility, the “Term Loans”);
- a capital expenditure and restructuring facility of €250 million (the “Capital Expenditure Facility”); and
- a revolving credit facility of €150 million (the “Revolving Credit Facility”).

In addition, the Amended Senior Credit Agreement provides for an uncommitted term loan E facility, which may become committed in accordance with the terms of the Amended Senior Credit Agreement (the “Term Loan E Facility”).

Purpose

Borrowings under the Term Loans were used to finance the Casema Business and @Home Business acquisitions.

Borrowings under the Capital Expenditure Facility may be used to finance or refinance capital expenditure, finance certain permitted acquisitions (including related acquisition costs) and pay costs and expenses relating to the restructuring of the Ziggo Group.

Borrowings under the Revolving Credit Facility may be used for working capital requirements of the Ziggo Group and other general corporate purposes (other than for a purpose for which the Capital Expenditure Facility has been made available). The Revolving Credit Facility cannot be used to repay or prepay, or pay interest on, the Term Loans. The Revolving Credit Facility may also be utilized by way of letters of credit so long as each letter of credit is issued for the above-stated purposes only. We may, from time to time, designate all or part of the Revolving Credit Facility as ancillary facilities, including as overdrafts, guarantees, short term loans or documentary or stand-by letters of credit.

The Amended Senior Credit Agreement provides a mechanism through which ABC B.V. has the flexibility to raise new senior debt by way of a senior secured note offering (the “Senior Secured Notes”), the proceeds of which would be applied in prepayment of outstanding senior debt (other than Term Loan Facility D). When ABC B.V. wishes to raise the new senior debt, a special purpose vehicle, or SPV, would accede to the Amended Senior Credit Agreement as a lender with a commitment to provide the Term Loan E Facility. Simultaneously, the SPV would issue Senior Secured Notes, the proceeds of which would be on-lent by the SPV to the Ziggo Group through the Term Loan E Facility.

Interest and Fees

Loans under the Senior Secured Credit Facilities bear interest at rates per annum equal to EURIBOR plus certain mandatory costs and the following applicable margins:

- 2.625% per annum for the Term Loan A Facility;
- 3.00% per annum for the Term Loan B Facility;
- 3.50% per annum for the Term Loan C Facility;
- 4.75% per annum for the Term Loan D Facility;
- 2.625% per annum for the Revolving Credit Facility; and
- 2.625% per annum for the Capital Expenditure Facility;

The margin applicable to each of the Senior Secured Credit Facilities shall be increased by 50 basis points with effect from the closing date of an initial public offering, subject in the case of the Term Loan A Facility, the Term Loan B Facility, the Term Loan C Facility, the Revolving Credit Facility and the Capital Expenditure Facility to the following margin adjustment:

Ratio of Consolidated Total Net Borrowings to Adjusted Consolidated EBITDA	**Term Loan A Facility, Revolving Credit Facility & Capital Expenditure Facility Margin**		**Term Loan B Facility**		**Term Loan C Facility**	
	Pre-IPO	**Post-IPO**	**Pre-IPO**	**Post-IPO**	**Pre-IPO**	**Post-IPO**
More than 6.0:1	2.625%	3.125%	3.000%	3.500%	3.500%	4.000%
Less than or equal to 6.0:1 but more than 5.5:1	2.500%	3.000%	3.000%	3.500%	3.500%	4.000%
Less than or equal to 5.5:1 but more than 5.0:1	2.250%	2.750%	3.000%	3.500%	3.500%	4.000%
Less than or equal to 5.0:1 but more than 4.5:1	2.000%	2.500%	2.750%	3.250%	3.500%	4.000%
Less than or equal to 4.5:1 but more than 4.0:1	1.750%	2.250%	2.750%	3.250%	3.500%	4.000%
Less than or equal to 4.0:1	1.500%	2.000%	2.500%	3.000%	3.500%	4.000%

The margins for the Term Loans, the Revolving Credit Facility and the Capital Expenditure Facility may be reduced to agreed levels at any time if no event of default is outstanding and the ratio of total net debt to EBITDA falls within specified ranges.

Interest on overdue amounts under the Senior Finance Documents, as defined in the Amended Senior Credit Agreement, is payable immediately on demand by the facility agent at a rate to be determined by the facility agent in accordance with the Amended Senior Credit Agreement.

We are also required to pay a commitment fee on available but unused commitments under the Term Loans, the Revolving Credit Facility and the Restructuring Facility at a rate of 0.625% per annum.

Security and Guarantees

The Senior Secured Credit Facilities are guaranteed irrevocably and unconditionally on a joint and several basis by each guarantor under the Amended Senior Credit Agreement. The Senior Secured Credit Facilities as a whole are secured by a mortgage on certain assets of the Obligors and a first priority pledge over the Obligors' bank accounts, intellectual property rights, receivables and moveable assets.

Covenants

The Amended Senior Credit Agreement contains customary operating and financial covenants, subject to certain agreed exceptions, including covenants restricting the ability of each borrower and each guarantor (and where expressly provided, the subsidiaries of such borrowers or guarantors) to, among other things:

- make acquisitions or investments;
- make loans or otherwise extend credit to others;
- incur indebtedness or issue guarantees;
- create security;
- sell, lease, transfer or dispose of assets;
- merge or consolidate with other companies;
- pay dividends, redeem share capital or redeem or reduce subordinated indebtedness;
- issue shares;
- enter into joint venture transactions;
- enter into certain banking relationships;
- make certain derivative transactions;
- make a substantial change to the general nature of its business;
- enter into transactions other than at arm's length;
- change its center of main interest; and
- modify certain acquisition documents and other agreements, including agreements governing other indebtedness.

The Amended Senior Credit Agreement also requires each borrower and each guarantor (and in many cases, the subsidiaries of such borrowers or guarantors) to observe certain affirmative covenants, subject to certain exceptions and including, but not limited to, covenants relating to:

- maintenance of relevant authorizations;
- maintenance of insurance;
- compliance with laws, including environmental laws and regulations;
- payment of taxes;
- ensuring that its obligations under the Senior Secured Credit Facilities rank at least *pari passu* with the claims of other creditors;
- provision of financial and other information to the lenders;
- maintenance of pension schemes; and
- maintenance of intellectual property rights.

The Amended Senior Credit Agreement also requires us to comply with the following financial covenants:

- a minimum ratio of cash flow to total net debt service;

- a minimum ratio of EBITDA to total net interest payable;
- a maximum ratio of total net borrowings to EBITDA; and
- a maximum level of capital expenditure per year.

Repayment

The Term Loan A Facility is to be repaid in semi-annual installments in accordance with the repayment schedule set out in the Amended Senior Credit Agreement, with the final installment payable in 2013. The Term Loan B Facility is to be repaid in two equal installments, with the final installment payable in 2014. The Term Loan C Facility is to be repaid in two equal installments, with the final installment payable in 2015. The Term Loan D Facility is to be repaid in full in 2016. Loans under the Capital Expenditure Facility are to be repaid in six equal semi-annual installments. All outstanding amounts under the Capital Expenditure Facility are to be repaid in 2013, or if earlier, the date on which the Term Loans are repaid in full. No amounts repaid by the borrowers in respect of the Term Loans or loans made under the Capital Expenditure Facility may be re-borrowed.

Loans under the Revolving Credit Facility must be repaid in full in 2013. Amounts repaid by the borrowers in respect of loans made under the Revolving Credit Facility may be re-borrowed, subject to certain exceptions.

Loans made under the Term Loan E Facility must be repaid in full on the final maturity date relating to the relevant loan, such date not to be earlier than September 14, 2016.

Prepayments

The Senior Secured Credit Facilities will be immediately cancelled, and all obligations under the Senior Secured Credit Facilities will be immediately payable in full, if, among other events, there is a change of control or sale of business, as detailed in the Amended Senior Credit Agreement.

Mandatory prepayments are required to be made out of, among others, the following funds:

- net cash proceeds in relation to a flotation that does not constitute a change of control and from certain sales, transfers and other disposals, insurance claims and recovery claims in respect of the acquisition of the Casema Business and @Home Business, to the extent that such net cash proceeds exceed certain agreed thresholds and have not satisfied other conditions; and
- for each financial year, a percentage of excess cash flow, which percentage decreases as our leverage ratio decreases.

Subject to the payment for break costs (if any), the borrowers may voluntarily prepay amounts outstanding under the Senior Secured Credit Facilities, without penalty or premium, at any time in whole or in part, subject to agreed minimum amounts and multiples, on not less than five business days' notice to the facility agent. The Term Loan D Facility may not be repaid unless all other facilities have been irrevocably repaid in full and the relevant commitments cancelled. With the exception of voluntary prepayment in respect of loans made under the Revolving Credit Facility, no amounts prepaid by the borrowers in respect of loans made under the Term Loans or Revolving Credit Facility may be re-borrowed.

The borrowers may voluntarily cancel unutilized amounts of the total commitment under the Senior Secured Credit Facilities, in whole or in part, subject to agreed minimum amounts and multiples, on not less than five business days' notice to the facility agent. No amount of the total commitment cancelled under the Amended Senior Credit Agreement may subsequently be reinstated.

If any amount of the Senior Secured Notes becomes repayable, prepayable or subject to repurchase or redemption prior to its originally scheduled maturity under the Senior Secured Notes (other than by reason of acceleration of any Senior Secured Notes), and the borrowers wish to repay such amount, then the equivalent amount of any Term Loan E Facility loan that has the same scheduled maturity as the Senior Secured Notes must at the same time be prepaid by the borrowers of the Term Loan E Facility.

Events of Default

The Amended Senior Credit Agreement sets out certain events of default, the occurrence of which would allow the lenders to accelerate all outstanding loans and cancel their commitments and/or declare that any amounts outstanding under the Senior Finance Documents (as defined in the Amended Senior Credit Agreement) are immediately due and payable. The events of default include, among other events and subject in certain cases to agreed grace periods, thresholds and other qualifications:

- non-payment of amounts due under the Senior Finance Documents;
- breach of covenants;
- inaccuracy of a representation or statement when made, deemed to be made or repeated;
- cross defaults and certain judgment defaults;
- invalidity or unlawfulness of the Senior Finance Documents, as defined in the Amended Senior Credit Agreement;
- insolvency;
- nationalization or expropriation of all or any substantial part of our assets without full market value consideration, causing material adverse effect or curtailment;
- certain security interests becoming enforceable;
- commencement of certain litigation;
- material adverse change;
- material audit qualification; and
- failure of any party (other than the lenders) to comply with the terms of the Priority Agreement or Parallel Priority Agreement (as defined in the Amended Senior Credit Agreement) in any material respect.

Priority Agreement

On September 12, 2006, ABC B.V., certain subsidiaries of ABC B.V., the Senior Creditors and the Security Agent, among others, entered into a priority agreement which was later amended and restated on October 6, 2006 and November 17, 2006 (the "Priority Agreement").

The Priority Agreement sets out, among other things:

- the relative ranking of certain debt (including debt incurred under the Senior Secured Credit Facilities) of the Obligors;
- when payments can be made in respect of the subordinated debt of the Obligors;
- when enforcement action can be taken in respect of the subordinated debt;
- the terms pursuant to which the subordinated debt will be subordinated upon the occurrence of certain insolvency events;
- turnover provisions; and
- when guarantees and security will be released to permit an enforcement sale.

The following description is a summary of certain provisions contained in the Priority Agreement. It does not restate the Priority Agreement in its entirety and we urge you to read that document.

Ranking and Priority

The Priority Agreement provides that:

(i) the Debt shall rank in right and priority of payment; and

(ii) any security interest created pursuant to any Senior Finance Documents (the "Transaction Security") shall rank and secure the Debt,

in each case in the following order:

- firstly, the Senior Debt (excluding the Facility D Debt) and the Hedging Debt (collectively the "Priority Debt");
- secondly, all liabilities of any Obligor to any Facility D Lender under or in connection with the Senior Finance Documents which relates to the Casema D Term Loan Facility and the Kabelcom D Term Loan Facility (each as defined in the Senior Secured Credit Facilities) (the "Facility D Debt");
- thirdly, any Excess Senior Debt and any Excess Hedging Debt (each as defined in the Priority Agreement) pari passu without any preference between them;
- fourthly, all liabilities of any member of the group to any member of the group specified in the Priority Agreement as an intercompany creditor (an "Intercompany Creditor") (the "Intercompany Debt"); and
- lastly, all liabilities of any member of the group to any person which becomes a party to the Priority Agreement as a subordinated creditor (a "Subordinated Creditor") (the "Subordinated Debt").

"Debt" is defined in the Priority Agreement as any or all of the Senior Debt, the Hedging Debt, the Subordinated Debt and the Intercompany Debt, as the context requires.

"Hedging Debt" is defined in the Priority Agreement as liabilities of any Obligor to any hedging bank under or in connection with the hedging documents or the Priority Agreement excluding (i) any Excess Hedging Debt (as defined in the Priority Agreement); and (ii) any amount outstanding and owed to any hedging bank under or in connection with the hedging documents which would not have been outstanding but for a breach of the provisions of the Priority Agreement by that hedging bank.

"Senior Debt" is defined in the Priority Agreement as all liabilities of any Obligor to each of the Finance Parties under and as defined in the Senior Secured Credit Facilities (a "Senior Creditor") under or in connection with the Senior Finance Documents excluding (i) any Excess Senior Debt (as defined in the Priority Agreement); (ii) and any amount outstanding and owed to any Senior Creditor which would not have been outstanding but for a breach of the provisions of the Priority Agreement by that Senior Creditor.

Permitted Payments

Prior to the Priority Debt Discharge Date and subject to the terms of the Priority Agreement, unless the Majority Senior Creditors have otherwise agreed, no Obligor may make any payment, and no Facility D Lender may receive and retain any payment, whether in cash or in kind, of any amount of Facility D Debt unless the payment is of interest, fees or expenses then due and payable under the terms of the Senior Finance Documents and provided that:

(i) no Facility D Stop Notice is in force; and

(ii) no event of default as a result of non-payment of any amount under the Senior Debt (other than the Facility D Debt) is outstanding.

A Facility D Stop Notice is in force during the period from the date on which the Security Agent (on the instructions of the Majority Senior Lenders excluding the loans or commitments of any Facility D Lender (the "Majority Priority Lenders")) serves a notice (a "Facility D Stop Notice") on ABC B.V. and the Facility D Lenders specifying that an event of default under the Senior Secured Credit Facilities (a "Senior Default") is outstanding and suspending payment of the Facility D Debt, until the earlier of:

(i) the date 60 days after receipt by ABC B.V. and the Facility D Lenders of the Facility D Stop Notice;

(ii) if a Facility D Standstill Period is in effect at any time during that period, the date on which that Facility D Standstill Period expires;

(iii) the date on which the Senior Default concerned ceases to be outstanding;

(iv) the date on which the Security Agent, acting on the instructions of the Majority Priority Lenders, cancels the Facility D Stop Notice; or

(v) the Priority Debt Discharge Date.

No Facility D Stop Notice may be served by the Security Agent in reliance on a particular Senior Default more than six months after the Security Agent received notice of that Senior Default. If more than one Senior Default is outstanding on the date on which a Facility D Stop Notice is served and that Facility D Stop Notice only refers to one of those Senior Defaults, the Security Agent may not serve a subsequent Facility D Stop Notice in relation to any of the other Senior Default(s) which were outstanding on that date unless such other Senior Default(s) are still outstanding as a result of a different set of events or circumstances to that which caused the Senior Default to be outstanding on the date on which the original Facility D Stop Notice was served.

The accrual of all interest (and the capitalization of interest) under or in relation to Facility D in accordance with the terms of the Senior Secured Facilities Agreement is permitted notwithstanding the service of a Facility D Stop Notice.

Prior to the date on which the Security Agent is satisfied that all of the Senior Debt and Hedging Debt has been irrevocably paid and discharged and all commitments of the Senior Creditors have been cancelled and all obligations of the hedging banks under the hedging documents have been terminated (the "Senior Discharge Date") but subject to the turnover provisions of the Priority Agreement, unless the Majority Senior Creditors otherwise agree:

(i) no Obligor or Intercompany Creditor may pay or receive and retain payment, whether in cash or in kind, of any amount of Intercompany Debt if a notice has been given under the acceleration clause of the Senior Secured Credit Facilities; and

(ii) no Obligor may pay, and no Subordinated Creditor may receive and retain payment, whether in cash or in kind of any amount of Subordinated Debt unless the payment is a Permitted Payment (as defined in the Senior Secured Credit Facilities).

"Priority Debt Discharge Date" is defined in the Priority Agreement as the date on which the Security Agent is satisfied that all of the Priority Debt has been irrevocably paid and discharged and all commitments (other than the Facility D Commitments (as defined in the Senior Secured Credit Facilities) of each lender under the Senior Secured Credit Facilities other than a Facility D Lender (the "Priority Lenders") have been cancelled and all obligations of the hedging banks under the hedging documents have been terminated.

Entitlement to Enforce

The Facility D Lenders may, subject to the paragraph below, take enforcement action if:

(i) payment of the Senior Debt has been accelerated under the Senior Secured Credit Facilities; or

(ii) certain insolvency events of default occur under the Senior Secured Credit Facilities (an "Insolvency Event"), in which case, the Facility D Lenders may take any such actions against the relevant insolvent Obligor(s) but not against or in relation to any other Obligor; or

(iii)

(a) the Majority Facility D Lenders have given notice in writing (a "Facility D Enforcement Notice") to the Security Agent specifying that a Facility D payment default is outstanding; and

(b) a period (a "Facility D Standstill Period") of not less than 60 days has elapsed from the date the Security Agent received the Facility D Enforcement Notice relating to such Facility D payment default; and

(c) such Facility D payment default is outstanding at the end of the Facility D Standstill Period.

If the Security Agent has given notice to the Facility D Lenders that it is enforcing or taking formal steps to enforce the Transaction Security over the shares of a guarantor or any holding company of a guarantor by selling the shares which are subject to that Transaction Security, the Facility D Lenders may not take any of the enforcement actions against that guarantor or any of its subsidiaries, until the earlier of:

(i) the Security Agent (or any such receiver) notifying the Facility D Lenders that it has ceased to enforce or take formal steps to enforce such Transaction Security; and

(ii) the date 120 days after the end of the applicable Facility D Standstill Period and then only if the relevant shares in the guarantor or its holding company have not been sold by that time.

Subordination

If an insolvency event occurs to or in respect of any Obligor, then:

(i) the Junior Debt owed by the insolvent Obligor will be subordinate in right of payment to the Priority Debt owed by such insolvent Obligor; and

(ii) the Subordinated Debt owed by the insolvent Obligor will be subordinate in right of payment to the Senior Debt and the Hedging Debt (the "Secured Debt") owed by such insolvent Obligor; and

(iii) unless otherwise required by the Majority Senior Creditors (if on or prior to the Senior Discharge Date), the Intercompany Debt owed by the insolvent Obligor will be subordinate in right of payment to the Secured Debt owed by such insolvent Obligor.

"Junior Debt" is defined in the Priority Agreement as at any time (i) on or prior to the Priority Discharge Date, the Facility D Debt, the Subordinated Debt and the Intercompany Debt; and (ii) on or prior to the Senior Discharge Date, the Subordinated Debt and the Intercompany Debt.

"Junior Creditor" is defined in the Priority Agreement as at any time (i) on or prior to the Priority Discharge Date, the Facility D Lenders, the Subordinated Creditors and the Intercompany Creditors; and (ii) on or prior to the Senior Discharge Date, the Subordinated Creditors and the Intercompany Creditors.

Turnover

If, at any time prior to the Senior Debt Discharge Date, any hedging bank or Junior Creditor receives or recovers a payment in cash or in kind:

(i) of any of the Hedging Debt which is prohibited by the Priority Agreement;

(ii) of any of the Junior Debt which is prohibited by the Priority Agreement in relation to permitted payments or, in the case of Facility D Debt, not made in accordance with the Priority Agreement in relation to application of enforcement proceeds;

(iii) from any member of the group on account of the purchase, redemption or acquisition of any Junior Debt which is prohibited by the Priority Agreement,

(each such payment or distribution being a "Turnover Receipt"), the receiving or recovering hedging bank or Junior Creditor (as the case may be) will promptly notify the Security Agent.

Each hedging bank and Junior Creditor shall:

(i) hold any Turnover Receipt received or recovered by it on trust for a Senior Creditor or a hedging bank as the context requires (a "Secured Creditor"); and

(ii) upon demand by the Security Agent, pay to the Security Agent for application as provided in the Priority Agreement an amount determined by the Security Agent to be equal to the lesser of:

    (a) the outstanding balance of the Secured Debt; and

    (b) the amount of such Turnover Receipt,

    less the third party costs and expenses (if any) reasonably incurred by the hedging bank or Junior Creditor concerned in receiving or recovering such Turnover Receipt.

Application of Proceeds

Subject to the rights of any creditor with prior security or preferential claims, the proceeds of enforcement of the Transaction Security shall be paid to the Security Agent. Those proceeds and all other amounts paid to the Security Agent under the Priority Agreement shall be applied in the following order:

- Firstly, in payment of the fees, costs, expenses and liabilities (and all interest thereon as provided in the Senior Finance Documents and the hedging documents (the “Secured Debt Finance Documents”)) of the Security Agent and any receiver, attorney or agent appointed under the security documents or the Priority Agreement;

- Secondly, in payment of the balance of the costs and expenses of any Senior Creditor or hedging bank;

- Thirdly, in payment to the Senior Agent and the hedging banks for application pro rata towards the balance of the Priority Debt (but excluding any Excess Senior Debt and any Excess Hedging Debt);

- Fourthly, in payment to the Senior Agent for application towards the balance of the Facility D Debt;

- Fifthly, in payment to the Senior Agent and the hedging banks for application pro rata towards any amounts of Excess Senior Debt and Excess Hedging Debt; and

- Lastly, in payment of the surplus (if any) to the Obligor or other person entitled to it.

Enforcement of Transaction Security

The Security Agent may refrain from enforcing the Transaction Security unless instructed otherwise by an Enforcing Group.

Subject to the Transaction Security having become enforceable in accordance with the relevant security documents, an Enforcing Group may give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing the Transaction Security as they see fit.

The Security Agent shall enforce the Transaction Security (if then enforceable in accordance with the relevant security documents) in such manner as an Enforcing Group shall instruct or, in the absence of those instructions, as it sees fit in accordance with the terms of the relevant security document.

Neither the Security Agent, nor a Senior Creditor (other than a Facility D Lender) shall be responsible to any Facility D Lender, Subordinated Creditor, Intercompany Creditor or Obligor, no Facility D Lender shall be responsible to any Subordinated Creditor, Intercompany Creditor or Obligor for any enforcement (provided such enforcement is done in accordance with the terms of the relevant security documents) or failure to enforce or to maximize the proceeds of any enforcement of the Transaction Security, and any of the Security Agent, the Senior Creditors and the hedging banks, as the case may be, may cease any such enforcement at any time.

“Enforcing Group” is defined in the Priority Agreement as on or prior to the Senior Discharge Date, the Majority Senior Creditors or, subject to certain provisions, if the Majority Facility D Lenders are entitled to take enforcement actions, the Majority Facility D Lenders.

Amendment

Subject to certain exceptions, an amendment or waiver may be made in respect of the Priority Agreement if it is made with the prior written agreement of the Security Agent, the Senior Creditors and the ABC B.V. other than any amendment which constitutes a procedural or administrative change which may be made with the consent of ABC B.V. and the Security Agent.

The Priority Agreement is governed by English law.

Parallel Priority Agreement

In connection with the issuance of the Notes, the Issuer, ABC B.V., the Trustee and Security Trustee and the Security Agent, among others, will enter into the Parallel Priority Agreement.

By accepting a Note, holders of the Notes will be deemed to have agreed to, and accepted the terms and conditions of, the Parallel Priority Agreement.

The Parallel Priority Agreement sets out:

- the relative ranking of certain debt of the Obligors;

- when payments can be made in respect of debt of the Obligors;
- when enforcement action can be taken in respect of that debt;
- the terms pursuant to which certain of that debt will be subordinated upon the occurrence of certain insolvency events;
- turnover provisions; and
- when guarantees will be released to permit an enforcement sale.

The following description is a summary of certain provisions contained in the Parallel Priority Agreement. It does not restate the Parallel Priority Agreement in its entirety and we urge you to read that document because it, and not the discussion that follows, defines certain of the rights of the holders of the Notes.

Ranking and Priority

The Parallel Priority Agreement provides, subject to the provisions in respect of permitted payments, that the liabilities of the Obligors in respect of the Senior Debt, the Hedging Debt and the Group Note Debt, the Notes and certain other liabilities will rank in the following order:

- firstly, all liabilities of any Obligor to any finance party under the Senior Secured Credit Facilities (each a "Senior Creditor") under or in connection with the senior finance documents (the "Senior Debt") and all liabilities of any Obligor to any hedging bank under or in connection with the hedging documents, the Priority Agreement or the Parallel Priority Agreement (the "Hedging Debt"); and
- secondly, all liabilities of ABC B.V. and any of its subsidiaries from time to time (the "Group") to any Note Creditor under or in connection with the Note Documents and ABC B.V. under or in connection with the Proceeds Loan Agreement (the "Group Note Debt").

"Note Creditor" is defined in the Parallel Priority Agreement as each of:

(i) the holders of the Notes; and

(ii) the Trustee, Security Trustee and any agent thereof under an Indenture; and

(iii) in respect of the Group Note Debt and the liabilities of the Issuer under or in connection with the Note Documents (together with the Group Note Debt, the "Note Debt") under or in connection with a Proceeds Loan Agreement, the Issuer, the Trustee and Security Agent and/or any receiver, receiver and manager or other similar official appointed to enforce any Proceeds Loan Assignment,

and includes any person to whom any Note Debt may be payable or owing (whether or not matured) from time to time.

"Note Documents" is defined in the Parallel Priority Agreement as each of:

(i) each Indenture (including any Guarantees contained therein);

(ii) the Notes;

(iii) the Guarantees;

(iv) the parent share pledge and an assignment by way of security of rights and claims under or in respect of a Proceeds Loan Agreement granted or to be granted by the Issuer to the Trustee and Security Trustee for the benefit of the Note Creditors (a "Proceeds Loan Assignment") (the "Note Security Documents");

(v) the Parallel Priority Agreement; and

(vi) any other document evidencing liabilities to any Note Creditor in connection with the issue of the Notes.

"Proceeds Loan Agreement" is defined in the Parallel Priority Agreement as a senior subordinated inter-company loan agreement entered into on or about the date of an issuance of Notes between the Issuer as creditor and ABC B.V. as debtor under which the Issuer lends the proceeds of the issue of such Notes to ABC B.V. (and a "Proceeds Loan" means each loan made, or to be made, under a Proceeds Loan Agreement).

The Parallel Priority Agreement does not regulate the ranking of the liabilities of the Issuer to the Note Creditors under the Note Documents.

Permitted Payments

The Parallel Priority Agreement states that prior to the date on which the Security Agent is satisfied that all of the Senior Debt and Hedging Debt has been irrevocably paid and discharged, all commitments of the Senior Creditors have been cancelled and all obligations of the hedging banks under the hedging documents have been terminated (the "Senior Discharge Date"), but subject to the relevant provisions of the Parallel Priority Agreement, unless the Majority Senior Creditors otherwise agree, no member of the Group may pay and no Note Creditor may receive and retain payment from any member of the Group of, whether in cash or kind, any amount of the Note Debt unless the payment is a Permitted Note Payment and the paragraph below does not apply.

Other than any payment of fees, costs and expenses of the Trustee and Security Trustee for its ongoing day-to-day administration of the Notes (the "Note Trustee Ordinary Course Amounts"), no payment of, or in respect of, the Note Debt which is otherwise permitted may be made by any member of the Group except with the prior consent in writing of the Security Agent if:

(i) a Senior Non-Payment Event (as defined in the Parallel Priority Agreement) has occurred and is continuing; or

(ii) an event of default under the Senior Secured Credit Facilities (a "Senior Default") (other than a Senior Non-Payment Event) has occurred and is continuing and the Trustee and Security Trustee and ABC B.V. have received a written notice (a "Payment Blockage Notice") from the Security Agent specifying such Senior Default and suspending payments of, or in respect of, the Note Debt by any member of the Group or a specified category of those payments, from the date of such Payment Blockage Notice until the earliest of:

  (a) the date on which the Senior Default concerned is no longer continuing and, if the Senior Debt has been accelerated, such acceleration has been rescinded;

  (b) the date on which the Security Agent, acting on the instructions of the Majority Senior Creditors, by notice in writing to ABC B.V. and the Trustee and Security Trustee, cancels the relevant Payment Blockage Notice;

  (c) the Senior Discharge Date;

  (d) the date falling 179 days after receipt by the Trustee and Security Trustee of such Payment Blockage Notice;

  (e) if a Standstill Period is in effect at the time of the service of such Payment Blockage Notice, the date on which that standstill period expires; and

  (f) the date on which the Note Creditors take any Enforcement Action which they are permitted to take under the Parallel Priority Agreement.

Any Permitted Note Payment made by any member of the Group that has provided a Guarantee (a "Guarantor") under any Note Document will extinguish, to the extent of the amount of the relevant Permitted Note Payment, the obligation of ABC B.V. to make the equivalent or related payment under the related Proceeds Loan Agreement.

The definition of "Majority Senior Creditors" in the Parallel Priority Agreement means the Majority Senior Lenders (as defined in the Senior Secured Credit Facilities), adjusting the definition of that term as follows to take account of a hedging bank's interest:

(i) (a) the total commitments under the Senior Secured Credit Facilities will be notionally increased by an aggregate amount equal to the aggregate of the amounts (if any) calculated for each hedging bank under paragraph (ii) below;

(b) each hedging bank shall be deemed (if it is a lender) to have the aggregate amount of its commitments increased by, or (if it is not a lender) to have a commitment in, the amount equal to the aggregate of the amounts (if any) calculated for each hedging bank under paragraph (ii) below;

(c) a reference to the lenders will include that hedging bank;

(d) a reference to a credit will include the amount for that hedging bank calculated under paragraph (ii) below; and

(e) a reference to a lender's share in the credits will be construed in relation to that hedging bank as the amount calculated under paragraph (ii) below for that hedging bank.

(ii) The amount referred to in paragraphs (i)(a), (b), (d) and (e) above for any hedging bank will be calculated as follows:

(a) prior to an Enforcement Event, the aggregate of the amounts (if any) that would be payable to that hedging bank as a result of terminating or closing out each hedging transaction under the hedging documents on the date on which the vote is taken; and

(b) after the occurrence of an Enforcement Event, the aggregate of the amounts (if any) payable to that hedging bank as a result of terminating or closing out each hedging transaction under the hedging documents in compliance with the Priority Agreement.

The definition of "Permitted Note Payments" in the Parallel Priority Agreement means a payment:

(i) of scheduled interest (excluding default interest or liquidated damages to the extent that they accrue at a rate of more than one percent per annum) arising on (a) the Notes, the payment of which is provided for in the Notes or the related indenture (the "Indenture") and which payment is made no earlier than five days before the date on which the relevant scheduled interest payment by the Issuer falls due under the terms of the Notes or the Indenture and (b) a Proceeds Loan, the payment of which is provided for in the relevant Proceeds Loan Agreement and which payment is made no earlier than five days before the date on which the related scheduled interest payment by the Issuer falls due under the terms of the Notes or the Indenture;

(ii) of additional amounts payable under applicable gross up provisions of the Notes or the Indenture or Proceeds Loan Agreement, provided such provisions are in customary form;

(iii) of fees, costs (including any original issue discounts and any underwriting commissions and discounts), expenses and taxes incurred in respect of the issuance and offering of the Notes or in the ordinary course day-to-day administration of the Notes as provided for in the Note Documents (but not including principal (or any premium which must be paid together with principal) or interest);

(iv) of the principal amount of or in respect of the Notes and the Proceeds Loans upon or after their originally scheduled maturity as set out in the Notes or the Indenture or (as applicable) the related Proceeds Loan Agreement;

(v) of any other amount not exceeding €100,000 in aggregate in any twelve month period;

(vi) of the fees, costs and expenses of the Trustee and Security Agent pursuant to the Note Documents including all out-of-pocket costs and expenses (of the "Note Trustee Amounts") and Note Trustee Ordinary Course Amounts;

(vii) constituting a payment by the Issuer under the Notes and related Indenture made from any defeasance trust;

(viii) which is a prepayment of principal with proceeds of a flotation expressly permitted by the Senior Secured Credit Facilities together with an amount equal to any make-whole, call protection or other premium payable by the Issuer to the holders of the Notes as a result of an early repayment, prepayment, repurchase or redemption of the underlying Notes;

(ix) by the Issuer funded entirely from the proceeds of issue of permitted Junior A Securities (as defined in the Parallel Priority Agreement) or, provided that the Senior Secured Credit Facilities is complied with, Permitted Junior B Securities (as defined in the Parallel Priority Agreement); and

(x) of any other amounts consented to by the Security Agent.

Payment Blockage

The Parallel Priority Agreement provides that unless otherwise agreed by the Trustee and Security Trustee:

(i) not more than one Payment Blockage Notice may be served in any period of 360 consecutive days;

(ii) not more than one Payment Blockage Notice may be served in respect of the same event or set of circumstances; and

(iii) a Payment Blockage Notice may not be served by the Security Agent in reliance on a particular Senior Default (other than any Senior Non-Payment Event) more than 45 days after the date the Security Agent has received a written notice from ABC B.V. of the occurrence of such Senior Default (other than any Senior Non-Payment Event) and confirming that it is a Senior Default.

Entitlement to Enforce

Prior to the Senior Discharge Date, no Note Creditor may, without the prior written consent of the Majority Senior Creditors, take Enforcement Action with respect to any Proceeds Loan Agreement or against any member of the Group with respect to any Note Document.

The restrictions above will not apply to the Note Creditors if:

(i) an insolvency event (other than as a result solely of any action taken by any Note Creditor) has occurred with respect to a Guarantor in which case, unless the relevant insolvency event has occurred in respect of a Guarantor whose earnings before interest, tax, depreciation and amortization (calculated on an unconsolidated basis but otherwise on the same basis as Consolidated EBITDA (as defined in the Senior Secured Credit Facilities)) represent 10 per cent. or more of Consolidated EBITDA or whose gross assets (excluding intra-group items) represent 10 per cent. or more of the gross assets of the Group (in which case, for the avoidance of doubt, a Note Creditor may take Enforcement Action against any member of the Group), Enforcement Action may be taken against the Guarantor subject to that insolvency event only;

(ii) the Senior Creditors or hedging banks take Enforcement Action (including the enforcement of any security interest created, evidenced or conferred by or pursuant to any senior finance documents (the "Transaction Security"), provided that if they only demand payment under the senior finance documents or the hedging documents or put amounts payable by a member of the Group thereunder on demand then the Note Creditors may only demand payment of the Note Debt or put amounts payable thereunder on demand in respect of the same member of the Group;

(iii) an event of default as defined in the Indenture (a "Note Default") has occurred resulting from a failure to pay principal at maturity;

(iv) a Note Default has occurred (otherwise than solely by reason of the occurrence of a Senior Default or an event of default under any hedging documents which, in either case, is not a payment default) and:

  (a) the Security Agent has received written notice of that Note Default from the Trustee and Security Trustee;

  (b) a period of not less than 179 days has passed from the date of receipt by the Security Agent of the written notice referred to above (a "Standstill Period"); and

  (c) at the end of the relevant Standstill Period, the relevant Note Default is continuing; or

(v) the proposed Enforcement Action has been consented to by the Majority Senior Creditors.

The Note Creditors will have the right to take Enforcement Action in relation to a Note Default notwithstanding that at the time referred to in paragraph (iv) above, or at any time thereafter, another Standstill Period has commenced as a result of a further Note Default.

An "Enforcement Action" means, in relation to any Senior Debt, Hedging Debt and Group Note Debt, any action to:

(i) demand payment, declare prematurely due and payable or otherwise seek to accelerate payment of or place on demand all or any part of such debt (and for the avoidance of doubt, any prepayment or close out obligations arising under the unlawfulness or mandatory prepayment provisions of the senior finance documents and the hedging documents or any notice delivered pursuant thereto shall be deemed not to have arisen pursuant to a demand, declaration or acceleration or placement on demand of any debt for the purposes of this paragraph);

(ii) recover all or any part of that debt (including by exercising any rights of attachment, execution, set-off or combination of accounts, other than (in the case of the Senior Creditors) in the ordinary course of operating any ancillary facilities);

(iii) commence (or take any other steps in relation to the commencement of any) insolvency proceedings in relation to any member of the Group; or

(iv) commence any legal proceedings against any member of the Group to recover any monies,

provided that the following shall not constitute Enforcement Action (unless it results in an insolvency event):

(a) the taking of any action (not falling within any of paragraphs (i) to (iii) above) necessary to preserve the validity and existence of claims, including the registration of such claims before any court or governmental authority;

(b) to the extent entitled by law, the taking of action against any creditor (or any agent, trustee or receiver acting on behalf of such creditor) to challenge the basis on which any sale or disposal is to take place pursuant to powers granted to such persons under any security document;

(c) the bringing of proceedings solely for injunctive relief to restrain any actual or putative breach of the Note Documents or for specific performance not claiming damages; or

(d) legal proceedings or allegations against any person in connection with violations of securities laws or securities or listing regulations or fraud.

Subordination

If an insolvency event occurs in respect of any Obligor, then the Group Note Debt owed by the insolvent Obligor will be subordinate in right of payment to the Senior Debt and the Hedging Debt (the "Secured Debt") owed by such insolvent Obligor.

Turnover

If, at any time prior to the Senior Discharge Date, any Note Creditor receives or recovers a payment in cash or in kind (including by way of set-off or combination of accounts):

(i) of any of the Note Debt from any member of the Group which is prohibited by the Parallel Priority Agreement;

(ii) from (or on behalf of) any member of the Group on account of the purchase, redemption or acquisition of any Note Debt which is prohibited by the Parallel Priority Agreement,

(each such payment or distribution being a "Turnover Receipt") the receiving or recovering Note Creditor will promptly notify the Security Agent.

Each Note Creditor (and, in the case of the Trustee, subject to certain knowledge exceptions) shall:

(i) hold any Turnover Receipt received or recovered by it on trust for the secured creditors; and

(ii) upon demand by the Security Agent or (after the Senior Discharge Date) the Trustee and Security Trustee, pay to the Security Agent or the Trustee and Security Trustee for application as provided for in the Parallel Priority Agreement an amount determined by the Security Agent or the Trustee and Security Trustee to be equal to the lesser of:

(a) the outstanding balance of the Secured Debt and the Note Debt; and

(b) the amount of such Turnover Receipt,

less the third party costs and expenses (if any) reasonably incurred by the Note Creditor concerned in receiving or recovering such Turnover Receipt.

Each Obligor shall indemnify each Note Creditor (to the extent of its liability for the Note Debt) for the amount of any Turnover Receipt paid by that Note Creditor to the Security Agent and such third party costs and expenses incurred by it, and the Note Debt will not be deemed to have been reduced or discharged in any way or to any extent by the receipt or recovery of the relevant Turnover Receipt.

Application of Proceeds

All amounts paid to the Security Agent under this Agreement shall be applied in the following order:

- Firstly, in payment pro rata of (i) the fees, costs, expenses and liabilities (and all interest thereon as provided in the senior finance documents) of the Security Agent and (ii) the Note Trustee Ordinary Course Amounts;

- Secondly, in payment to the Security Agent and the hedging banks for application pro rata towards the balance of the Priority Debt (as defined in the Priority Agreement);

- Thirdly, in payment to the Security Agent for application towards the balance of the Facility D Debt (as defined in the Priority Agreement);

- Fourthly, in payment to the Trustee and Security Trustee for application towards the balance of the Note Debt in accordance with the provisions of the Notes and the relevant Indentures pari passu and ratably across the issuances; and

- Lastly, in payment of the surplus (if any) to the Obligor or other person entitled to it.

No such proceeds or amounts shall be applied in payment of any amounts specified in the paragraph above until all amounts specified in each earlier paragraph have been paid in full.

Any proceeds of enforcement of the Note Security shall be paid directly to the Trustee and Security Trustee, or its agent.

Release of the Guarantees

If a disposal to a person or persons outside the Group of any shares in any member of the Group is:

(i) permitted by the Senior Secured Credit Facilities and by each Indenture (in respect of which the Security Agent is entitled to rely on a certificate from ABC B.V.);

(ii) being effected at the request of the Majority Senior Creditors in circumstances where they are entitled to take Enforcement Action; or

(iii) being effected pursuant to Enforcement Action taken by the Senior Creditors (or the Security Agent acting on their behalf),

the Security Agent is irrevocably authorized to execute on behalf of each Note Creditor and each Obligor a release of that member of the Group and its subsidiaries from all present and future obligations and liabilities (both actual and contingent and including any liability under any guarantee (including, without limitation, the Guarantees) and/or to any other Obligor by way of contribution or indemnity) under the Note Documents and each Proceeds Loan Agreements (the "Junior Finance Documents") provided that:

(a) in the case of paragraph (i) above the proceeds of that disposal are applied in accordance with the terms of the Senior Secured Credit Facilities and the relevant provisions of any Indenture; and

(b) in the case of paragraphs (ii) and (iii) above, the proceeds of that disposal are applied as set out under "—Application of Proceeds" above.

In the case of any release of any obligation or liability under any Note Document in connection with a disposal falling within paragraphs (ii) and (iii) above, the Note Creditors shall only be obliged to release and only authorize the release above in respect of the relevant Note Document if:

(i) the Trustee and Security Trustee confirms to the Security Agent that the release has been consented to by the requisite percentage of holders of Notes under each Indenture (to the extent such consent is required under such Indenture); or

(ii) the relevant shares are disposed of in the circumstances referred to in paragraphs (ii) and (iii) above and:

(a) the proceeds of such disposal received by the Security Agent are in the form of cash (or substantially all cash);

(b) either (I) such disposal is made pursuant to a public auction; or (II) in connection with such disposal, an internationally recognized investment bank selected by the Security Agent has delivered an opinion to the Trustee and Security Trustee that the disposal price of such asset is fair from a financial point of view after taking into account all relevant circumstances (including the circumstances giving rise to the sale);

(c) the Trustee and Security Trustee is notified in writing that, on completion of the sale of any shares in any member of the Group which are the subject of a Transaction Security in favor of the Security Agent, such member of the Group and each of its subsidiaries is simultaneously and unconditionally released from all present and future obligations and liabilities in respect of the Secured Debt (or such secured debt is sold or otherwise disposed of by the relevant creditors to the purchaser of such member of the Group) and such obligations are not assumed by the purchaser of such member of the Group or an affiliate of such purchaser; and

(d) the proceeds are applied in accordance with the Priority Agreement and as set out under "—Application of Proceeds" above.

No release of any member of the Group will affect the obligations and liabilities of any other member of the Group under the Secured Debt Finance Documents or the Note Documents.

"Secured Debt Finance Documents" is defined in the Parallel Priority Agreement as the senior finance documents and the hedging documents.

Amendment

"Relevant Change" is defined in the Parallel Priority Agreement as any amendment or waiver of the Parallel Priority Agreement.

To the extent that a Relevant Change only affects the rights and obligations of one or more parties or a class of parties and could not reasonably be expected to be adverse to the interests of other parties or another class of parties, only the parties affected by that Relevant Change must agree to that Relevant Change. To the extent that an amendment affects the rights and obligations of:

(i) the holders of the Notes, such amendment must be agreed to by the Trustee and Security Trustee; and

(ii) the senior lenders, such amendment must be agreed to by the Security Agent (acting on the instructions of the required number of senior lenders under the Senior Secured Credit Facilities).

To the extent a Relevant Change relates to the requirements of any person proposing to act as Trustee and Security Agent (and who becomes the Trustee and Security Trustee) which are customary for persons acting in such capacity, provided such Relevant Change could not reasonably be expected to be materially prejudicial to the interests of any other party to the Parallel Priority Agreement, it may be amended with the consent of the Security Agent and ABC B.V.

To the extent a Relevant Change constitutes a minor or technical change, or is necessary to correct any manifest error, omission or default, the Parallel Priority Agreement may be amended with the consent of the Security Agent, the Trustee and Security Trustee and ABC B.V.

After the Senior Discharge Date, the Senior Creditors and the hedging banks shall be deemed to have ceased to be parties and any amendment of the Parallel Priority Agreement shall not require the consent of (and shall not be required to be executed by) any of the Senior Creditors or the hedging banks.

The Parallel Priority Agreement is governed by English law.

DESCRIPTION OF THE NOTES

Ziggo Bond Company B.V. (the "*Company*") will issue the Notes under an indenture dated May 7, 2010 (the "*Indenture*") between, among others, the Company and Deutsche Trustee Company Limited, as the trustee (the "*Trustee*") and security trustee (the "*Security Trustee*"), in a private transaction that is not subject to the registration requirements of the U.S. Securities Act of 1933, as amended (the "*U.S. Securities Act*"). The full text of the Indenture is hereby incorporated by reference into this offering memorandum. Unless the context requires otherwise, references in this "Description of the Notes" to the Notes include the Notes and any Additional Notes that are issued. The terms of the Notes include those set forth in the Indenture. The Indenture will not incorporate or include any of the provisions of the U.S. Trust Indenture Act of 1939, as amended. The Security Documents referred to below under the caption "—Security" define the terms of the security that will secure the Notes.

The following description is a summary of the material provisions of the Indenture, the Notes and the Security Documents. This does not restate those agreements in their entirety. We urge you to read the Indenture, the Notes and the Security Documents because they, and not this description, define your rights as holders of the Notes. Copies of the Indenture, the form of Note, the Security Documents and the Parallel Priority Agreement are available as set forth below under "—Additional Information".

Certain defined terms used in this description but not defined below under "—Certain Definitions" have the meanings assigned to them in the Indenture. You can find the definitions of certain terms used in this description under the subheading "—Certain Definitions". In this description, the term "Company" refers only to Ziggo Bond Company B.V. and not to any of its Subsidiaries.

The registered holder of a Note will be treated as the owner of it for all purposes. Only registered holders will have rights under the Indenture.

Brief Description of the Notes and the Note Guarantees

The Notes

The Notes:

- will be general obligations of the Company;
- will be *pari passu* in right of payment to any future Indebtedness of the Company that is not subordinated in right of payment to the Notes;
- will be senior to any future Indebtedness of the Company that is subordinated in right of payment to the Notes;
- will be unconditionally guaranteed by the Guarantors;
- will be secured by a first-priority pledge over the shares of ABC B.V. and a first-priority assignment of the Proceeds Loan; and
- will be effectively subordinated to all obligations of any of the Company's subsidiaries that are not in the future Guarantors.

The Note Guarantees

The Notes will initially be guaranteed by the Guarantors.

The Note Guarantee of each Guarantor:

- will be a general unsecured obligation of that Guarantor;
- will be subordinated in right of payment to all existing and future Senior Debt of that Guarantor; and
- will be *pari passu* in right of payment to any future subordinated Indebtedness of that Guarantor.

Assuming we had completed this offering of Notes and applied the net proceeds as intended, as of December 31, 2009, the Company and the Guarantors would have had total Senior Debt of approximately €2,655 million. As indicated above and as discussed in detail below under the caption "—Subordination of the Note Guarantees", payments on the Notes and under these Guarantees will be subordinated to the payment of Senior Debt. The Indenture will permit us and the Guarantors to incur additional Senior Debt.

The operations of the Company are conducted through its Subsidiaries and, therefore, the Company depends on the cash flow of its Subsidiaries to meet its obligations, including its obligations under the Notes. On the Issue Date, all of the Company's subsidiaries (other than TeleCai Den Haag B.V., which is in the process of being liquidated) will guarantee the Notes. However, under the terms of Indenture the Company may in future have subsidiaries that do not guarantee the Notes. The Notes will be effectively subordinated in right of payment to all Indebtedness and other liabilities and commitments (including trade payables and lease obligations) of any of the Company's non-guarantor Subsidiaries. Any right of the Company or any Guarantor to receive assets of any of its non-guarantor Subsidiaries upon that non-guarantor Subsidiary's liquidation or reorganization (and the consequent right of the holders of the Notes to participate in those assets) will be effectively subordinated to the claims of that non-guarantor Subsidiary's creditors, except to the extent that the Company or such Guarantor is itself recognized as a creditor of the non-guarantor Subsidiary, in which case the claims of the Company or such Guarantor, as the case may be, would still be subordinated in right of payment to any security in the assets of the non-guarantor Subsidiary and any Indebtedness of the non-guarantor Subsidiary senior to that held by the Company or such Guarantor. See "Risk Factors—Risks relating to the Notes and Our Capital Structure—The Notes will be structurally subordinated to the liabilities of non-guarantor subsidiaries." During the year ended December 31, 2009, the Guarantors represented 100% of ABC B.V.'s consolidated revenues and 100% of ABC B.V.'s consolidated EBITDA. As of December 31, 2009, the Guarantors represented 100% of ABC B.V.'s consolidated total assets.

As of the Issue Date all of the Company's Subsidiaries will be "Restricted Subsidiaries" for purposes of the Indenture. However, under the circumstances described below under the caption "—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries", the Company will be permitted to designate Restricted Subsidiaries as "Unrestricted Subsidiaries". Most of the restrictive covenants in the Indenture do not apply to Unrestricted Subsidiaries. The Company's Unrestricted Subsidiaries will not guarantee the Notes.

Principal, Maturity and Interest

The Company will issue €1,208,850,000 in aggregate principal amount of Notes in this offering. The Company may issue additional Notes ("*Additional Notes*") under the Indenture from time to time after this offering. The Notes may be issued in one or more series under the Indenture. Any issuance of Additional Notes is subject to all of the covenants in the Indenture, including the covenant described below under the caption "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock". The Notes and any Additional Notes subsequently issued under the Indenture will be treated as a single class for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase, except as otherwise provided in the Indenture. The Company will issue Notes in denominations of €50,000 and integral multiples of €1,000 in excess thereof. The Notes will mature on May 15, 2018. The redemption price at the maturity date will be 100% of the amount due under the Notes.

Interest on the Notes will accrue at the rate of 8.000% per annum. Interest on the Notes will be payable semi-annually in arrears on May 15 and November 15, commencing on November 15, 2010. The Company will make each interest payment to the holders of record on the immediately preceding May 1 and November 1.

Interest on the Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Paying Agent and Registrar for the Notes

The Company will maintain one or more paying agents (each, a "*Paying Agent*") for the Notes in each of (i) the City of London (the "*Principal Paying Agent*") and (ii) Luxembourg for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market. The Company will ensure that it maintains a Paying Agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to the European Union Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 on the taxation of savings income, or any law implementing, or complying with or introduced in order to conform to, such directive. The initial Paying Agents will be Deutsche Bank AG, London Branch in London and Deutsche Bank Luxembourg S.A. in Luxembourg.

The Company will also maintain one or more registrars (each, a "*Registrar*") with offices in Luxembourg, for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro

MTF market. The Company will also maintain a transfer agent in each of London and Luxembourg. The initial Registrar will be Deutsche Bank Luxembourg S.A. in Luxembourg. The initial transfer agents will be Deutsche Bank AG, London Branch in London and Deutsche Bank Luxembourg S.A. in Luxembourg. The Registrar and the transfer agent in Luxembourg will maintain a register reflecting ownership of Definitive Registered Notes (as defined herein) outstanding from time to time and will make payments on and facilitate transfer of Definitive Registered Notes on the behalf of the Company.

The Company may change the Paying Agents, the Registrars or the transfer agents without prior notice to the holders of Notes. For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market and the rules of the Luxembourg Stock Exchange so require, the Company will publish a notice of any change of Paying Agent, Registrar or transfer agent in a newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, post such notice on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*).

Transfer and Exchange

Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the U.S. Securities Act will initially be represented by one or more global Notes in registered form without interest coupons attached (the "*144A Global Notes*"), and Notes sold outside the United States pursuant to Regulation S under the U.S. Securities Act will initially be represented by one or more global Notes in registered form without interest coupons attached (the "*Reg S Global Notes*" and together with the 144A Global Notes, the "*Global Notes*").

Ownership of interests in the Global Notes (the "*Book-Entry Interests*") will be limited to persons that have accounts with Euroclear or Clearstream or Persons that may hold interests through such participants. Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under "Transfer Restrictions". In addition, transfers of Book-Entry Interests between participants in Euroclear or Clearstream will be effected by Euroclear or Clearstream pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream and their respective participants.

Book-Entry Interests in the 144A Global Note, or the "*Restricted Book-Entry Interest*", may be transferred to a person who takes delivery in the form of Book-Entry Interests in the 144A Global Note, as applicable, or the "*Reg S Book-Entry Interests*", only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the U.S. Securities Act.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of €50,000 principal amount and integral multiples of €1,000 in excess thereof, upon receipt by the applicable Registrar of instructions relating thereto and any certificates and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, as applicable, from the participant that owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Company in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under "Notice to Investors".

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of €50,000 in principal amount and integral multiples of €1,000 in excess thereof, to persons who take delivery thereof in the form of Definitive Registered Notes. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging holder to, among other things, furnish appropriate endorsements and transfer documents, furnish information regarding the account of the transferee at Euroclear or Clearstream, where appropriate, furnish certain certificates and opinions and pay any Taxes in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the holder, other than any Taxes payable in connection with such transfer or exchange; *provided* that, if the Company or any Guarantor is a party to the transfer or exchange, the holder will not be required to pay such Taxes.

Notwithstanding the foregoing, the Company is not required to register the transfer of any Definitive Registered Notes:

(1) for a period of 15 days prior to any date fixed for the redemption of the Notes;

(2) for a period of 15 days immediately prior to the date fixed for selection of Notes to be redeemed in part;

(3) for a period of 15 days prior to the record date with respect to any interest payment date; or

(4) which the holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Sale Offer.

Additional Amounts

All payments made by or on behalf of the Company under or with respect to the Notes or any of the Guarantors with respect to any Note Guarantee will be made free and clear of and without withholding or deduction for, or on account of, any present or future Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of (1) any jurisdiction in which the Company or any Guarantor is then incorporated or organized, engaged in business for tax purposes or resident for tax purposes or any political subdivision thereof or therein or (2) any jurisdiction from or through which payment is made by or on behalf of the Company or any Guarantor (including the jurisdiction of any Paying Agent) or any political subdivision thereof or therein (each, a "*Tax Jurisdiction*") will at any time be required to be made from any payments made by or on behalf of the Company under or with respect to the Notes or any of the Guarantors with respect to any Note Guarantee, including payments of principal, redemption price, purchase price, interest or premium, the Company or the relevant Guarantor, as applicable, will pay such additional amounts (the "*Additional Amounts*") as may be necessary in order that the net amounts received in respect of such payments by each holder after such withholding, deduction or imposition (including any such withholding, deduction or imposition from such Additional Amounts) will equal the respective amounts that would have been received in respect of such payments in the absence of such withholding or deduction; *provided*, *however*, that no Additional Amounts will be payable with respect to:

(1) any Taxes, to the extent such Taxes would not have been imposed but for the existence of any present or former connection between the holder or the beneficial owner of the Notes (or between a fiduciary, settlor, beneficiary, partner of, member or shareholder of, or possessor of a power over, the relevant holder, if the relevant holder is an estate, trust, nominee, partnership, limited liability company or corporation) and the relevant Tax Jurisdiction (including being or having been a citizen, resident, or national thereof or being or having been present or engaged in a trade or business therein or having or having had a permanent establishment therein), but excluding any connection arising merely from the holding of such Note, the enforcement of rights under such Note or under a Note Guarantee or the receipt of any payments in respect of such Note or a Note Guarantee;

(2) any Taxes, to the extent such Taxes were imposed as a result of the presentation of a Note for payment (where presentation is required) more than 30 days after the relevant payment is first made available for payment to the holder (except to the extent that the holder would have been entitled to Additional Amounts had the Note been presented on the last day of such 30 day period);

(3) any estate, inheritance, gift, sales, excise, transfer, personal property or similar Taxes;

(4) any Taxes withheld, deducted or imposed on a payment to an individual that are required to be made pursuant to European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of November 26 and 27, 2000 on the taxation of savings income, or any law implementing or complying with or introduced in order to conform to, such directive;

(5) Taxes imposed on or with respect to a payment made to a holder or beneficial owner of Notes who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a member state of the European Union;

(6) any Taxes payable other than by deduction or withholding from payments under, or with respect to, the Notes or with respect to any Note Guarantee;

(7) any Taxes to the extent such Taxes are imposed or withheld by reason of the failure of the holder or beneficial owner of Notes, following the Company's written request addressed to the holder or beneficial owner (and made at a time that would enable the holder or beneficial owner acting reasonably to comply with that request, and in all events, at least 30 days before any such withholding or deduction would be payable to the holder or beneficial owner), to comply with any certification,

identification, information or other reporting requirements, whether required by statute, treaty, regulation or administrative practice of a Tax Jurisdiction, as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by the Tax Jurisdiction (including, without limitation, a certification that the holder or beneficial owner is not resident in the Tax Jurisdiction), but in each case, only to the extent the holder or beneficial owner is legally entitled to provide such certification or documentation);

(8) any Taxes imposed on or with respect to any payment by the Issuer or Guarantor to the holder if such holder is a fiduciary or partnership or any person other than the sole beneficial owner of such payment to the extent that Taxes would not have been imposed on such payment had such holder been the sole beneficial owner of such Note; or

(9) any combination of items (1) through (8) above.

In addition to the foregoing, the Company and the Guarantors will also pay and indemnify the holder for any present or future stamp, issue, registration, court or documentary taxes, or any other excise or property taxes, charges or similar levies (including penalties, interest and any other reasonable expenses related thereto) which are levied by any Tax Jurisdiction on the execution, delivery, issuance or registration of any of the Notes, the Indenture, any Note Guarantee or any other document referred to therein (other than a transfer of the Notes after this offering) or the receipt of any payments with respect thereto, or any such taxes, charges or similar levies imposed by any jurisdiction as a result of, or in connection with, the enforcement of any of the Notes or any Note Guarantee.

If the Company or any Guarantor, as the case may be, becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Notes or any Note Guarantee, each of the Company or the relevant Guarantor, as the case may be, will deliver to the Trustee on a date that is at least 30 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises less than 45 days prior to that payment date, in which case the Company or the relevant Guarantor shall notify the Trustee promptly thereafter) an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The Officer's Certificates must also set forth any other information reasonably necessary to enable the Paying Agents to pay Additional Amounts to holders on the relevant payment date. The Trustee shall be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary.

The Company or the relevant Guarantor will make all withholdings and deductions required by law and will timely remit the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The Company or the relevant Guarantor will use its reasonable efforts to obtain Tax receipts from each Tax authority evidencing the payment of any Taxes so deducted or withheld. The Company or the relevant Guarantor will furnish to the Trustee (or to a holder upon written request), within a reasonable time after the date the payment of any Taxes so deducted or withheld is made, certified copies of Tax receipts evidencing payment by the Company or a Guarantor, as the case may be, or if, notwithstanding such entity's efforts to obtain receipts, receipts are not obtained, other evidence of payments (reasonably satisfactory to the Trustee) by such entity.

Whenever in the Indenture or in this "Description of the Notes" there is mentioned, in any context, the payment of amounts based upon the principal amount of the Notes or of principal, interest or of any other amount payable under, or with respect to, any of the Notes or any Note Guarantee, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The above obligations will survive any termination, defeasance or discharge of the Indenture, any transfer by a holder or beneficial owner of its Notes, and will apply, *mutatis mutandis*, to any jurisdiction in which any successor Person to the Company or any Guarantor is incorporated, engaged in business for tax purposes or resident for tax purposes or any jurisdiction from or through which such Person makes any payment on the Notes (or any Note Guarantee) and any department or political subdivision thereof or therein.

Note Guarantees

The Notes will be guaranteed by each Guarantor. These Note Guarantees will be joint and several obligations of the Guarantors. Each Note Guarantee will be subordinated to the prior payment in full of all Senior Debt of the Guarantor that granted such Note Guarantee.

The obligations of the Guarantors will be contractually limited under the applicable Note Guarantees to reflect limitations under applicable law with respect to maintenance of share capital, corporate benefit, fraudulent conveyance and other legal restrictions applicable to the Guarantors and their respective shareholders, directors and general partners.

For a description of such contractual limitations, see "Risk Factors—Risks Relating to the Notes and our Capital Structure—Corporate benefit and financial assistance laws and other limitations on the obligations under the Notes and the guarantees may adversely affect the validity and enforceability of the Notes and the guarantees."

Note Guarantees Release

The Note Guarantee of a Guarantor will be released:

(1) in connection with any sale or other disposition of all or substantially all of the assets of that Guarantor (including by way of merger, consolidation, amalgamation or combination) to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary, if the sale or other disposition does not violate the "Asset Sale" provisions of the Indenture;

(2) in connection with any sale or other disposition of Capital Stock of that Guarantor to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary, if the sale or other disposition does not violate the "Asset Sale" provisions of the Indenture and the Guarantor ceases to be a Restricted Subsidiary as a result of the sale or other disposition;

(3) if the Company designates any Restricted Subsidiary that is a Guarantor to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture;

(4) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "—Legal Defeasance and Covenant Defeasance" and "—Satisfaction and Discharge;"

(5) upon the sale of all the Capital Stock of, or all or substantially all of the assets of, such Guarantor or its parent entity pursuant to a security enforcement sale in compliance with the Parallel Priority Agreement; or

(6) upon the full and final payment and performance of all obligations of the Company under the Indenture and the Notes.

Upon any occurrence giving rise to a release of a Guarantee as specified above, the Trustee will execute any documents reasonably required in order to evidence or effect such release, discharge and termination in respect of such Guarantee. Neither the Company nor any Guarantor will be required to make a notation on the Notes to reflect any such release, termination or discharge.

Subordination of the Note Guarantees

General

Each Note Guarantee is a senior subordinated guarantee, which means that each such Note Guarantee ranks behind, and is expressly subordinated to, all the existing and future Senior Debt of each Guarantor, including any obligations owed by such Guarantor under the Senior Credit Agreement. The ability to take enforcement action against the Guarantors under their Note Guarantees is subject to significant restrictions imposed by the Parallel Priority Agreement and the terms of the Guarantees, and potentially any Additional Parallel Priority Agreements entered into after the Issue Date.

Subordination on the basis of Parallel Priority Agreement

In general:

(1) the lenders under the Senior Credit Agreement and the counterparties to certain of our Hedging Obligations will be entitled, as secured lenders and pursuant to the terms of the Parallel Priority Agreement, to payment in full of all amounts outstanding under the Senior Finance Documents (as defined in the Parallel Priority Agreement) before (i) the Trustee and the holders would be entitled to payments under a Note Guarantee of any Guarantor and (ii) the Company would be entitled to payments under the Proceeds Loan and, as a result, before holders would ultimately receive any payments on the Notes;

(2) the Trustee and the holders of the Notes will be required, pursuant to the terms of the Parallel Priority Agreement, to turn over any amounts they receive in respect of a Note Guarantee that was not a permitted note payment or that was received in contravention of the Parallel Priority Agreement to the

security agent under the Senior Credit Agreement until all obligations outstanding under the Senior Credit Agreement and certain of our Hedging Obligations and certain other costs, expenses and claims (including those of the Trustee and Security Trustee and those incurred in connection with enforcement) are paid in full; and

(3) the Company will be required, pursuant to the terms of the Parallel Priority Agreement, to turn over any amounts it receives that was not a permitted note payment or that was received in contravention of the Parallel Priority Agreement under the Proceeds Loan to the security agent under the Senior Credit Agreement until all amounts outstanding under the Senior Credit Agreement and certain of our Hedging Obligations and certain other costs, expenses and claims are paid in full.

The security agent under the Senior Credit Agreement will be directed to apply such amounts in the manner described under "Description of Other Indebtedness—Parallel Priority Agreement—Turnover" and "Application of Proceeds".

Pursuant to the Parallel Priority Agreement, the Note Guarantees are subject to the payment blockage and standstill provisions described in more detail under "Description of Other Indebtedness—Parallel Priority Agreement".

In addition, to the extent that a Guarantor incurs additional Senior Debt, such Senior Debt will be entitled to similar seniority in right of payment to such Guarantor's Note Guarantee and will also have the benefit of an Additional Parallel Priority Agreement giving effect to such seniority. In such a case, the relevant representative of such Senior Debt would be able to require that amounts which would otherwise have been paid to the Trustee or the holders of the Notes be paid instead to such representative of or the lenders under such Senior Debt.

Because of the foregoing subordination provisions, holders of Senior Debt of a Guarantor may recover disproportionately more than the holders of the Notes recover in a bankruptcy or similar proceeding relating to such Guarantor. In such a case, there may be insufficient assets, or no assets, remaining to pay the principal of or interest on the Notes.

The Indenture will provide that the Company, each Guarantor and the Trustee will be authorized (without any further consent of the holders of the Notes) to enter into the Parallel Priority Agreement to give effect to the provisions described in the section entitled "Descriptions of Other Indebtedness—Parallel Priority Agreement".

The Indenture will also provide that each holder of the Notes, by accepting such Note, will be deemed to have:

(1) appointed and authorized the Trustee to give effect to the provisions in the Parallel Priority Agreement;

(2) agreed to be bound by the provisions of the Parallel Priority Agreement; and

(3) irrevocably appointed the Trustee to act on its behalf to enter into and comply with the provisions of the Parallel Priority Agreement.

Please see the sections entitled "Risk factors—Risks Relating to the Notes and Our Capital Structure—Your right to receive payment under the guarantees is contractually subordinated to senior debt" and "Description of other indebtedness—Parallel Priority Agreement."

Security

The Notes will be secured by:

(1) a first-ranking pledge of all of the issued Capital Stock of ABC B.V. (the "*Share Pledge*"); and

(2) a first-ranking assignment by way of security of the Notes proceeds loan from the Company to ABC B.V. (the "*Proceeds Loan Assignment*").

The Company, the Trustee and the Security Trustee will enter into a the Share Pledge and the Proceeds Loan Assignment, which define the terms of security interests that secure the Notes. The Share Pledge and the Proceeds Loan Assignment will secure the payment and performance when due of all of the obligations of the Company under the Indenture and the Notes as provided in the Security Documents.

So long as no Default or Event of Default has occurred and is continuing, and subject to certain terms and conditions, the Company will be entitled to receive all cash dividends, interest and other payments made upon or with respect to the shares of ABC B.V. pledged by it and to exercise any voting and other consensual rights pertaining to the shares of ABC B.V. pledged by it.

The Indenture will provide that the Security Documents may be enforced only upon an acceleration of the amounts due under the Notes following an Event of Default. The Security Trustee will enter into the Security Documents in its own name for the benefit of the Trustee and the holders of the Notes. The rights of the Trustee and the holders of the Notes will not be directly secured by the Security Documents, but through the parallel debt claim acknowledged by the Company by way of an independent acknowledgement of Indebtedness to the Security Trustee that is equal to the total amounts payable by the Company under the Indenture and the Notes. Neither the Trustee nor the holders of the Notes may, individually or collectively, take any direct action to enforce any rights in their favor under the Security Documents. The holders of the Notes may only take action through the Security Trustee.

The Collateral will be released:

(1) upon the full and final payment and performance of all obligations of the Company under the Indenture and the Notes; or

(2) upon legal defeasance, covenant defeasance or satisfaction and discharge of the notes as provided below under the captions "—Legal Defeasance and Covenant Defeasance" and "—Satisfaction and Discharge".

Optional Redemption

At any time prior to May 15, 2013, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of Notes issued under the Indenture, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to 108.000% of the principal amount of the Notes redeemed, in each case, plus accrued and unpaid interest and Additional Amounts, if any, to the date of redemption (subject to the rights of holders of Notes on the relevant record date to receive interest on the relevant interest payment date), with the net cash proceeds of an Equity Offering of (i) the Company or (ii) any parent entity of the Company to the extent the proceeds from such Equity Offering are contributed to the Company's common equity capital or are paid to the Company as consideration for the issuance of ordinary shares of the Company; *provided* that:

(1) at least 65% of the aggregate principal amount of the Notes originally issued under the Indenture (excluding Notes held by the Company and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 90 days of the date of the closing of such Equity Offering.

At any time prior to May 15, 2014, the Company may on any one or more occasions redeem all or a part of the Notes upon not less than 30 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus the Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to the date of redemption, subject to the rights of holders of the Notes on the relevant record date to receive interest due on the relevant interest payment date.

Except pursuant to the preceding two paragraphs and except pursuant to "—Redemption for Changes in Taxes", the Notes will not be redeemable at the Company's option prior to May 15, 2014.

On or after May 15, 2014, the Company may on any one or more occasions redeem all or a part of Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest and Additional Amounts, if any, on the Notes redeemed, to the applicable date of redemption, if redeemed during the twelve-month period beginning on May 15 of the years indicated below, subject to the rights of holders of Notes on the relevant record date to receive interest on the relevant interest payment date:

Year	Redemption Price
2014	104.000%
2015	102.000%
2016 and thereafter	100.000%

Unless the Company defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

Any redemption and notice may, in the Company's discretion, be subject to the satisfaction of one or more conditions precedent.

Redemption for Changes in Taxes

The Company may redeem the Notes, in whole but not in part, at its discretion at any time upon giving not less than 30 nor more than 60 days' prior notice to the holders of the Notes (which notice will be irrevocable and given in accordance with the procedures described in "—Selection and Notice"), at a redemption price equal to 100% of the aggregate principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Company for redemption (a "*Tax Redemption Date*") and all Additional Amounts (if any) then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise (subject to the right of holders of the Notes on the relevant record date to receive interest due on the relevant interest payment date and Additional Amounts (if any) in respect thereof), if on the next date on which any amount would be payable in respect of the Notes, the Company is or would be required to pay Additional Amounts, and the Company cannot avoid any such payment obligation by taking reasonable measures available, and the requirement arises as a result of:

(1) any amendment to, or change in, the laws or any regulations or rulings promulgated thereunder of a relevant Tax Jurisdiction which change or amendment is announced and becomes effective on or after the date of this offering memorandum (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the date of this offering memorandum, such later date); or

(2) any amendment to, or change in, an official written interpretation or application of such laws, regulations or rulings (including by virtue of a holding, judgment, order by a court of competent jurisdiction or a change in published administrative practice) which amendment or change is announced and becomes effective on or after the date of this offering memorandum (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the date of this offering memorandum, such later date).

The Company will not give any such notice of redemption earlier than 60 days prior to the earliest date on which the Company would be obligated to make such payment or withholding if a payment in respect of the Notes were then due, and the obligation to pay Additional Amounts must be in effect at the time such notice is given. Prior to the publication or, where relevant, mailing of any notice of redemption of the Notes pursuant to the foregoing, the Company will deliver to the Trustee an opinion of independent tax counsel (the choice of such counsel to be subject to the prior written approval of the Trustee (such approval not to be unreasonably withheld)) to the effect that there has been such amendment or change which would entitle the Company to redeem the Notes hereunder. In addition, before the Company publishes or mails notice of redemption of the Notes as described above, it will deliver to the Trustee an Officer's Certificate to the effect that it cannot avoid its obligation to pay Additional Amounts by the Company taking reasonable measures available to it.

The Trustee will accept and shall be entitled to rely on such Officer's Certificate and opinion of counsel as sufficient evidence of the existence and satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on the holders.

Mandatory Redemption

The Company is not required to make mandatory redemption or sinking fund payments with respect to the Notes.

Repurchase at the Option of Holders

Change of Control

If a Change of Control occurs, each holder of Notes will have the right to require the Company to repurchase all or any part (equal to €50,000 or an integral multiple of €1,000 in excess thereof) of that holder's Notes pursuant to a Change of Control Offer on the terms set forth in the Indenture. In the Change of Control Offer, the Company will offer a payment in cash equal to 101% of the aggregate principal amount of Notes repurchased, plus accrued and unpaid interest and Additional Amounts, if any, on the Notes repurchased to the date of purchase (the "*Change of Control Payment*"), subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date. Within 30 days following any Change of Control, the Company will mail a notice to each holder of the Notes at such holder's registered address or otherwise deliver a notice in accordance with the procedures described under "—Selection and Notice", stating that a Change of Control Offer is being made and offering to repurchase Notes on the date (the "*Change of Control Payment Date*") specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed or delivered, pursuant to the procedures required by the Indenture and described in such notice. The Company will comply with the requirements of Rule 14e-1 under the U.S. Exchange Act and any other applicable securities laws and regulations to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the Indenture, the Company will comply with any applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of such compliance.

On the Change of Control Payment Date, the Company will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the paying agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Company.

The Paying Agent will promptly mail (or cause to be delivered) to each holder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee (or its authenticating agent) will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any. The Company will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described above that require the Company to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the holders of the Notes to require that the Company repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The Company will not be required to make a Change of Control Offer upon a Change of Control if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or (2) a notice of redemption has been given pursuant to the Indenture as described above under the caption "—Optional Redemption", unless and until there is a default in payment of the applicable redemption price. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all", there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of Notes to require the Company to repurchase its Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Company and its Restricted Subsidiaries taken as a whole to another Person or group may be uncertain.

The provisions under the Indenture relating to the Company's obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the consent of the holders of a majority in principal amount of the Notes prior to the occurrence of the Change of Control.

If and for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market and the rules of the Luxembourg Stock Exchange so require, the Company will publish notices relating to the Change of Control Offer in a leading newspaper of general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, post such notices on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*).

Asset Sales

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, consummate an Asset Sale unless:

(1) the Company (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value of the assets or Equity Interests issued or sold or otherwise disposed of; and

(2) at least 75% of the consideration received in the Asset Sale by the Company or such Restricted Subsidiary is in the form of cash or Cash Equivalents. For purposes of this provision, each of the following will be deemed to be cash:

(a) any liabilities, as recorded on the balance sheet of the Company or any Restricted Subsidiary (other than contingent liabilities), that are assumed by the transferee of any such assets and as a result of which the Company and its Restricted Subsidiaries are no longer obligated with respect to such liabilities or are indemnified against further liabilities;

(b) any securities, notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee that are converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents within 90 days following the closing of the Asset Sale, to the extent of the cash or Cash Equivalents received in that conversion;

(c) any Capital Stock or assets of the kind referred to in clauses (1)(b) or (d) of the next paragraph of this covenant;

(d) any Designated Non-Cash Consideration received by the Company or any Restricted Subsidiary in such Asset Sales having an aggregate Fair Market Value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (d) that is at that time outstanding, not to exceed 1.0% of Total Assets at the time of the receipt of such Designated Non-Cash Consideration (with the Fair Market Value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value);

(e) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the Company and each other Restricted Subsidiary are released from any Guarantee of such Indebtedness in connection with such Asset Sale; and

(f) consideration consisting of Indebtedness of the Company or any Guarantor received from Persons who are not the Company or any Restricted Subsidiary.

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Company (or the applicable Restricted Subsidiary, as the case may be) may:

(1) apply such Net Proceeds (at the option of the Company or Restricted Subsidiary):

(a) to repay Senior Debt or Indebtedness of a Restricted Subsidiary that is not a Guarantor and, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto;

(b) to acquire all or substantially all of the assets of, or any Capital Stock of, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Restricted Subsidiary;

(c) to make a capital expenditure;

(d) to acquire other assets (other than Capital Stock) not classified as current assets under IFRS that are used or useful in a Permitted Business; or

(2) enter into a binding commitment to apply the Net Proceeds pursuant to clause (b), (c) or (d) of paragraph (1) above; *provided* that such binding commitment shall be treated as a permitted application of the Net Proceeds from the date of such commitment until the earlier of (x) the date on which such acquisition or expenditure is consummated, and (y) the 180th day following the expiration of the aforementioned 365 day period.

Pending the final application of any Net Proceeds, the Company (or the applicable Restricted Subsidiary) may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by the Indenture.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the second paragraph of this covenant will constitute "*Excess Proceeds*". When the aggregate amount of Excess Proceeds exceeds €25.0 million, within ten Business Days thereof, the Company will make an offer (an "*Asset Sale Offer*") to all holders of Notes and may make an offer to all holders of other Indebtedness that is *pari passu* with the Notes or any Note Guarantees to purchase, prepay or redeem with the proceeds of sales of assets to purchase, prepay or redeem the maximum principal amount of Notes and such other *pari passu* Indebtedness (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith) that may be purchased, prepaid or redeemed out of the Excess Proceeds. The offer price for the Notes in any Asset Sale Offer will be equal to 100% of the principal amount, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase, prepayment or redemption, subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and other *pari passu* Indebtedness tendered into (or to be prepaid or redeemed in connection with) such Asset Sale Offer exceeds the amount of Excess Proceeds or if the aggregate amount of Notes tendered pursuant to a Notes Offer exceeds the amount of the Net Proceeds so applied, the Trustee will select the Notes and such other *pari passu* Indebtedness, if applicable, to be purchased on a pro rata basis (or in the manner described under "—Selection and Notice"), based on the amounts tendered or required to be prepaid or redeemed. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

The Company will comply with the requirements of Rule 14e-1 under the U.S. Exchange Act and any other applicable securities laws and regulations to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to a Change of Control Offer or an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control or Asset Sale provisions of the Indenture, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control or Asset Sale provisions of the Indenture by virtue of such compliance.

The agreements governing the Company's outstanding Senior Debt currently prohibit the Company from purchasing any Notes, and also provides that certain Change of Control or Asset Sale events with respect to the Company would constitute a mandatory prepayment event under these agreements. Any future credit agreements or other agreements relating to Senior Debt to which the Company becomes a party may contain similar restrictions and provisions. In the event a Change of Control or Asset Sale occurs at a time when the Company is prohibited from purchasing Notes, the Company could seek the consent of its senior lenders to the purchase of the Notes or could attempt to refinance the borrowings that contain such prohibition. If the Company does not obtain such a consent or repay such borrowings, the Company will remain prohibited from purchasing the Notes. In such case, the Company's failure to purchase tendered Notes would constitute an Event of Default under the Indenture which would, in turn, constitute a default under such Senior Debt. In such circumstances, the subordination provisions in the Indenture would likely restrict payments to the holders of Notes.

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the Trustee will select Notes for redemption on a pro rata basis (or, in the case of Notes issued in global form as discussed under "—Book-Entry, Delivery and Form", based on a method that most nearly approximates a pro rata selection as the Trustee deems fair and appropriate), unless otherwise required by law or applicable stock exchange or depository requirements. The Trustee shall not be liable for selections made by it in accordance with this paragraph.

No Notes of €50,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each holder of Notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the holder of Notes upon cancellation of the original Note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of Notes called for redemption.

For Notes which are represented by global certificates held on behalf of Euroclear, notices may be given by delivery of the relevant notices to Euroclear for communication to entitled account holders in substitution for the aforesaid mailing. So long as any Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market and the rules of the Luxembourg Stock Exchange so require, any such notice to the holders of the relevant Notes shall also be published in a newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, posted on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*) and, in connection with any redemption, the Company will notify the Luxembourg Stock Exchange of any change in the principal amount of Notes outstanding.

Certain Covenants

Incurrence of Indebtedness and Issuance of Preferred Stock

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "*incur*") any Indebtedness (including Acquired Debt), and the Company will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of preferred stock; *provided*, *however*, that the Company may incur Indebtedness (including Acquired Debt) or issue Disqualified Stock, and the Guarantors may incur Indebtedness (including Acquired Debt) or issue preferred stock, if on the date on which such additional Indebtedness is incurred or such Disqualified Stock or such preferred stock is issued, as the case may be, the Company's Consolidated Leverage Ratio would have been less than (x) 5.5 to 1.0, if the date of such incurrence or issuance is prior to the one-year anniversary of the Issue Date, (y) 5.0 to 1.0, if the date of such incurrence or issuance is on or after the one-year anniversary of the Issue Date but prior to the two-year anniversary of the Issue Date, or (z) 4.5 to 1.0, if the date of such incurrence or issuance is on or after the two-year anniversary of the Issue Date, in each case, determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or the Disqualified Stock or the preferred stock had been issued, as the case may be, at the beginning of such two-quarter period.

The first paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness (collectively, "*Permitted Debt*"):

(1) the incurrence by the Company and any Guarantor of additional Indebtedness under Credit Facilities or in any Qualified Receivables Transaction in an aggregate principal amount at any one time outstanding under this clause (1) not to exceed €3,500 million, *plus* in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing, *less* the aggregate amount of all Net Proceeds of Asset Sales applied by the Company or any of its Restricted Subsidiaries since the Issue Date to permanently repay any Indebtedness under a Credit Facility and effect a corresponding commitment reduction thereunder pursuant to the covenant described above under the caption "—Repurchase at the Option of the Holders—Asset Sales";

(2) Indebtedness of the Company or any Restricted Subsidiary outstanding on the Issue Date after giving effect to the use of proceeds of the Notes;

(3) the incurrence by the Company and the Guarantors of Indebtedness represented by the Notes issued on the Issue Date and the related Note Guarantees;

(4) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, incurred for the purpose of financing all or any part of the purchase price or cost of design, construction, installation or improvement of property, plant or equipment used in the business of the Company or any of its Restricted Subsidiaries, in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (4), not to exceed €100.0 million at any time outstanding;

(5) the incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge any Indebtedness (other than intercompany Indebtedness) that was permitted by the Indenture to be incurred under the first paragraph of this covenant or clauses (2), (3) or (5) of this paragraph;

(6) the incurrence by the Company or any Restricted Subsidiary of intercompany Indebtedness between or among the Company or any Restricted Subsidiary; *provided* that:

   (a) if the Company or any Guarantor is the obligor on such Indebtedness and the payee is not the Company or a Guarantor, such Indebtedness must be unsecured and expressly subordinated to the prior payment in full in cash of all Obligations then due with respect to the Notes, in the case of the Company, or the Note Guarantee, in the case of a Guarantor; and

(b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Restricted Subsidiary and (ii) any sale or other transfer of any such Indebtedness to a Person that is not either the Company or a Restricted Subsidiary, will be deemed, in each case, to constitute an incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);

(7) the issuance by any Restricted Subsidiary to the Company or to any of its Restricted Subsidiaries of preferred stock; *provided* that:

(a) any subsequent issuance or transfer of Equity Interests that results in any such preferred stock being held by a Person other than the Company or a Restricted Subsidiary; and

(b) any sale or other transfer of any such preferred stock to a Person that is not either the Company or a Restricted Subsidiary,

will be deemed, in each case, to constitute an issuance of such preferred stock by such Restricted Subsidiary that was not permitted by this clause (7);

(8) the incurrence by the Company or any Restricted Subsidiary of Hedging Obligations for *bona fide* hedging purposes of the Company and its Restricted Subsidiaries and not for speculative purposes;

(9) the Guarantee by the Company or any Restricted Subsidiary of Indebtedness of the Company or any Restricted Subsidiary to the extent that the guaranteed Indebtedness was permitted to be incurred by another provision of this covenant; *provided* that if the Indebtedness being guaranteed is subordinated to the Notes or subordinated to or *pari passu* with a Note Guarantee, then the Guarantee must be subordinated, in the case of the Notes, or subordinated or *pari passu*, as applicable, in the case of a Note Guarantee, in each case to the same extent as the Indebtedness guaranteed;

(10) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness in respect of workers' compensation claims, self-insurance obligations, captive insurance companies, bankers' acceptances, performance and surety bonds in the ordinary course of business;

(11) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is covered within five Business Days;

(12) the incurrence by the Company and its Restricted Subsidiaries of Indebtedness arising from agreements of the Company or a Restricted Subsidiary providing for customary indemnification, obligations in respect of earnouts or other adjustments of purchase price or, in each case, similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Equity Interests of a Subsidiary, *provided* that the maximum liability of the Company and its Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the Fair Market Value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Company and its Restricted Subsidiaries in connection with such disposition;

(13) the incurrence by the Company and its Restricted Subsidiaries of Indebtedness in respect of (A) letters of credit, surety, performance or appeal bonds, completion guarantees, judgment, advance payment, customs, VAT or other tax guarantees or similar instruments issued in the ordinary course of business of such Person and not in connection with the borrowing of money, including letters of credit or similar instruments in respect of self-insurance and workers compensation obligations, and (B) any customary cash management, cash pooling or netting or setting off arrangements; *provided*, *however*, that upon the drawing of such letters of credit or other instrument, such obligations are reimbursed within 30 days following such drawing;

(14) Indebtedness of the Company of any of its Restricted Subsidiaries in respect of Management Advances;

(15) customer deposits and advance payments received in the ordinary course of business from customers for goods and services purchased in the ordinary course of business;

(16) Indebtedness of any Person outstanding on the date on which such Person becomes a Restricted Subsidiary of the Company or is merged, consolidated, amalgamated or otherwise combined with

(including pursuant to any acquisition of assets and assumption of related liabilities) the Company or any of its Restricted Subsidiaries (other than Indebtedness incurred to provide all or any portion of the funds used to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary of the Company or was otherwise acquired by the Company or any of its Restricted Subsidiaries); provided, however, with respect to this clause (16), that at the time of the acquisition or other transaction pursuant to which such Indebtedness was deemed to be incurred (x) the Company would have been able to incur €1.00 of additional Indebtedness pursuant to the first paragraph of this covenant after giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this clause (16) or (y) the Consolidated Leverage Ratio of the Company would not be greater than it was immediately prior to giving pro forma effect to the incurrence of such Indebtedness pursuant to this clause (16); and

(17) the incurrence by the Company or any of its Restricted Subsidiaries of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (17) not to exceed €150.0 million.

The Company will not incur any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Company unless such Indebtedness is also contractually subordinated in right of payment to the Notes on substantially identical terms; *provided*, *however*, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Company solely by virtue of being unsecured by virtue of being secured with different collateral or by virtue of being secured on a junior priority basis or by virtue of the application of waterfall or other payment-ordering provisions affecting different tranches of Indebtedness under Credit Facilities.

For purposes of determining compliance with this “Incurrence of Indebtedness and Issuance of Preferred Stock” covenant, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Debt described in this covenant, the Company, in its sole discretion, will be permitted to classify such item of Indebtedness on the date of its incurrence and only be required to include the amount and type of such Indebtedness in one of such clauses and will be permitted on the date of such incurrence to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, and from time to time to reclassify all or a portion of such item of Indebtedness, in any manner that complies with this covenant, provided that Indebtedness incurred pursuant to clause (1) of the definition of Permitted Debt may not be reclassified. Indebtedness under the Senior Credit Agreement outstanding on the Issue Date will be deemed to have been incurred on such date in reliance on the exception provided in clause (1) of the definition of Permitted Debt.

The accrual of interest or preferred stock dividends, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness, the reclassification of preferred stock as Indebtedness due to a change in accounting principles, and the payment of dividends on preferred stock or Disqualified Stock in the form of additional shares of the same class of preferred stock or Disqualified Stock will not be deemed to be an incurrence of Indebtedness or an issuance of preferred stock or Disqualified Stock for purposes of this covenant. For purposes of determining compliance with any euro-denominated restriction on the incurrence of Indebtedness, the euro-equivalent principal amount of Indebtedness denominated in a different currency shall be utilized, calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred; *provided*, *however*, that (i) if such Indebtedness denominated in non-euro currency is subject to a Currency Exchange Protection Agreement with respect to euro the amount of such Indebtedness expressed in euro will be calculated so as to take account of the effects of such Currency Exchange Protection Agreement; and (ii) the euro-equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date. The principal amount of any refinancing Indebtedness incurred in the same currency as the Indebtedness being refinanced will be the euro-equivalent of the Indebtedness refinanced determined on the date such Indebtedness was originally incurred, except that to the extent that:

(1) such euro-equivalent was determined based on a Currency Exchange Protection Agreement, in which case the Refinancing Indebtedness will be determined in accordance with the preceding sentence; and

(2) the principal amount of the refinancing Indebtedness exceeds the principal amount of the Indebtedness being refinanced, in which case the euro-equivalent of such excess will be determined on the date such refinancing Indebtedness is being incurred.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Company or any Restricted Subsidiary may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

The amount of any Indebtedness outstanding as of any date will be:

(1) in the case of any Indebtedness issued with original issue discount, the amount of the liability in respect thereof determined in accordance with IFRS;

(2) the principal amount of the Indebtedness, in the case of any other Indebtedness; and

(3) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:

(i) the Fair Market Value of such assets at the date of determination; and

(ii) the amount of the Indebtedness of the other Person.

Restricted Payments

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of the Company's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Company's or any of its Restricted Subsidiaries' Equity Interests in their capacity as holders (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Company and other than dividends or distributions payable to the Company or a Restricted Subsidiary);

(2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Company) any Equity Interests of the Company or any direct or indirect parent entity of the Company;

(3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness of the Company or any Guarantor that is contractually subordinated in right of payment to the Notes or to any Note Guarantee (excluding any intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries), except (i) a payment of interest or principal at the Stated Maturity thereof or (ii) the purchase, repurchase or other acquisition of Indebtedness purchased in anticipation of satisfying a scheduled sinking fund obligation, principal installment or scheduled maturity, in each case due within one year of the date of such purchase, repurchase or other acquisition; or

(4) make any Restricted Investment

(all such payments and other actions set forth in these clauses (1) through (4) above being collectively referred to as "*Restricted Payments*"), unless, at the time of any such Restricted Payment:

(a) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;

(b) the Company would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable two-quarter period, have been permitted to incur at least €1.00 of additional Indebtedness pursuant to the Consolidated Leverage Ratio test set forth in the first paragraph of the covenant described below under the caption "—Incurrence of Indebtedness and Issuance of Preferred Stock"; and

(c) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its Restricted Subsidiaries since the Issue Date (excluding Restricted Payments permitted by clauses (2), (3), (5), (6), (7), (8), (11), (12), (13) and (14) of the next succeeding paragraph), is less than the sum, without duplication, of:

(i) 50% of the Consolidated Net Income of the Company for the period (taken as one accounting period) from the beginning of the fiscal quarter commencing immediately prior to the Issue Date to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit); *plus*

(ii) 100% of the aggregate net cash proceeds and the Fair Market Value of marketable securities received by the Company since the Issue Date as a contribution to its common equity capital or from the issue or sale of Equity Interests of the Company (other than Disqualified Stock and Excluded Contributions) or from the issue or sale of convertible or exchangeable Disqualified Stock of the Company or convertible or exchangeable debt securities of the Company, in each case that have been converted into or exchanged for Equity Interests of the Company (other than Equity Interests and convertible or exchangeable Disqualified Stock or debt securities sold to a Subsidiary of the Company) or from the issuance or sale of Subordinated Shareholder Debt (other than an issuance or sale to a Subsidiary of the Company); *plus*

(iii) to the extent that any Restricted Investment that was made after the Issue Date is (a) sold, disposed of or otherwise cancelled, liquidated or repaid, 100% of the aggregate amount received in cash and the Fair Market Value of the property and marketable securities received by the Company or any Restricted Subsidiary (other than from a Person that is not the Company or a Restricted Subsidiary), or (b) made in an entity that subsequently becomes a Restricted Subsidiary, 100% of the Fair Market Value of the Restricted Investment of the Company and its Restricted Subsidiaries as of the date such entity becomes a Restricted Subsidiary; *plus*

(iv) to the extent that any Unrestricted Subsidiary of the Company designated as such after the Issue Date is redesignated as a Restricted Subsidiary or is merged or consolidated into the Company or a Restricted Subsidiary, or all of the assets of such Unrestricted Subsidiary are transferred to the Company or a Restricted Subsidiary, the Fair Market Value of the property received by the Company or Restricted Subsidiary or the Company's Restricted Investment in such Subsidiary as of the date of such redesignation, merger, consolidation or transfer of assets, to the extent such Investments reduced the Restricted Payments capacity under this clause (c) and were not previously repaid or otherwise reduced; *plus*

(v) upon the full and unconditional release of a Restricted Investment that is a Guarantee made by the Company or one of its Restricted Subsidiaries to any Person, an amount equal to the amount of such Guarantee; *plus*

(vi) 100% of any cash dividends or distributions received by the Company or a Restricted Subsidiary after the Issue Date from an Unrestricted Subsidiary, to the extent that such dividends or distributions were not otherwise included in the Consolidated Net Income of the Company for such period.

The preceding provisions will not prohibit:

(1) the payment of any dividend or the consummation of any redemption within 60 days after the date of declaration of the dividend or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or redemption payment would have complied with the provisions of the Indenture;

(2) the making of any Restricted Payment in exchange for, or out of or with the net cash proceeds of the substantially concurrent sale or issuance (other than to a Subsidiary of the Company) of, Equity Interests of the Company (other than Disqualified Stock), Subordinated Shareholder Debt or from the substantially concurrent contribution of common equity capital to the Company; *provided* that the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from the calculation of amounts under clause (c)(ii) of the preceding paragraph, shall not constitute Excluded Contributions and will not be considered to be net cash proceeds from a Public Equity Offering for purposes of the "Optional Redemption" provisions of the Indenture;

(3) the repurchase, redemption, defeasance or other acquisition or retirement for value of Indebtedness of the Company or any Guarantor that is contractually subordinated to the Notes or to any Note Guarantee with the net cash proceeds from an incurrence of Permitted Refinancing Indebtedness;

(4) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Company or any Restricted Subsidiary held by any current or former officer, director, employee or consultant of the Company or any of its Restricted Subsidiaries pursuant to any equity subscription agreement, stock option agreement, restricted stock grant, shareholders' agreement or similar agreement; *provided* that the aggregate price paid for all such repurchased, redeemed, acquired or

retired Equity Interests may not exceed €10.0 million in any calendar year; and *provided*, *further*, that such amount in any calendar year may be increased by an amount not to exceed the cash proceeds from the sale of Equity Interests of the Company or a Restricted Subsidiary received by the Company or a Restricted Subsidiary during such calendar year, in each case to members of management, directors or consultants of the Company, any of its Restricted Subsidiaries or any of its direct or indirect parent companies to the extent the cash proceeds from the sale of Equity Interests have not otherwise been applied to the making of Restricted Payments pursuant to clause (c)(ii) of the preceding paragraph or clause (2) of this paragraph;

(5) the repurchase of Equity Interests deemed to occur upon the exercise of stock options to the extent such Equity Interests represent a portion of the exercise price of those stock options;

(6) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of the Company or any preferred stock of any Restricted Subsidiary issued on or after the Issue Date in accordance with the covenant described below under the caption "—Incurrence of Indebtedness and Issuance of Preferred Stock";

(7) payments of cash, dividends, distributions, advances or other Restricted Payments by the Company or any of its Restricted Subsidiaries to allow the payment of cash in lieu of the issuance of fractional shares upon (x) the exercise of options or warrants or (y) the conversion or exchange of Capital Stock of any such Person;

(8) payments pursuant to any tax sharing agreement or arrangement among the Company and its Subsidiaries and other Persons with which the Company or any of its Subsidiaries is required or permitted to file a consolidated tax return or with which the Company or any of its Restricted Subsidiaries is a part of a group for tax purposes; *provided, however,* that such payments will not exceed the amount of tax that the Company and its Subsidiaries would owe on a stand-alone basis and the related tax liabilities of the Company and its Subsidiaries are relieved thereby;

(9) so long as no Default has occurred and is continuing or would be caused thereby, following an Initial Public Offering of the Capital Stock of the Company or a Parent Entity, the payment of dividends on the Capital Stock of the Company in an amount per annum not to exceed 5% of the Market Capitalization; *provided*, that after giving *pro forma* effect to the payments of such dividend, the Company's Consolidated Leverage Ratio would have been less than 4.5 to 1.0; *provided*, *further*, that if such Public Equity Offering was of Capital Stock of a Parent Entity, the net proceeds of any such dividend are used to fund a corresponding dividend in equal or greater amount on the Capital Stock of such Parent Entity;

(10) advances or loans to (a) any future, present or former officer, director, employee or consultant of the Company or a Restricted Subsidiary to pay for the purchase or other acquisition for value of Equity Interests of the Company (other than Disqualified Stock), or any obligation under a forward sale agreement, deferred purchase agreement or deferred payment arrangement pursuant to any management equity plan or stock option plan or any other management or employee benefit or incentive plan or other agreement or arrangement or (b) any management equity plan or stock option plan or any other management or employee benefit or incentive plan or unit trust or the trustees of any such plan or trust to pay for the purchase or other acquisition for value of Equity Interests of the Company (other than Disqualified Stock); *provided* that the total aggregate amount of Restricted Payments made under this clause (10) does not exceed €10.0 million in any calendar year;

(11) the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution) by a Restricted Subsidiary to the holders of its Equity Interests (other than the Company or any Restricted Subsidiary) on no more than a pro rata basis;

(12) so long as no Default or Event of Default has occurred and is continuing, the payment of Management Fees;

(13) Permitted Parent Payments;

(14) Restricted Payments that are made with Excluded Contributions;

(15) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Indebtedness of the Company or any Guarantor that is subordinated in right of payment to the Notes or to any Note Guarantee (other than any Indebtedness so subordinated and held by Affiliates of the

Company) upon a Change of Control to the extent required by the agreements governing such Indebtedness at a purchase price not greater than 101% of the principal amount of such Indebtedness, but only if the Company shall have complied with its obligations under the covenants described under "Repurchase at the option of holders—Change of control" and the Company repurchased all Notes tendered pursuant to the offer required by such covenants prior to offering to purchase, purchasing or repaying such Indebtedness;

(16) the distribution, as a dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to the Company or a Restricted Subsidiary of the Company by, Unrestricted Subsidiaries; or

(17) so long as no Default or Event of Default has occurred and is continuing, other Restricted Payments in an aggregate amount not to exceed €50.0 million since the Issue Date.

The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment.

Liens

The Company will not and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien of any kind securing Indebtedness upon any of their property or assets, now owned or hereafter acquired, except Permitted Liens, unless all payments due under the Indenture and the Notes are secured on an equal and ratable basis with the obligations so secured until such time as such obligations are no longer secured by a Lien. Notwithstanding the foregoing, (x) no Indebtedness of the Company or any Restricted Subsidiary or Parent Entity, other than the Notes and the Note Guarantees, may be secured by a Lien over the Collateral other than Permitted Collateral Liens and (y) no Indebtedness which is subordinated in right of payment to the Notes or Note Guarantees may be secured by a Lien.

No Layering of Debt

No Guarantor will incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness that is contractually subordinate or junior in right of payment to the Senior Debt of such Guarantor and senior in right of payment to such Guarantor's Note Guarantee. No such Indebtedness will be considered to be subordinated in right of payment to any Senior Debt of any Guarantor by virtue of being unsecured or by virtue of being secured on a junior priority basis or by virtue of the application of waterfall or other payment-ordering provisions affecting different tranches of Indebtedness under Credit Facilities.

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock to the Company or any Restricted Subsidiary, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Company or any Restricted Subsidiary;

(2) make loans or advances to the Company or any Restricted Subsidiary; or

(3) sell, lease or transfer any of its properties or assets to the Company or any Restricted Subsidiary,

provided that (x) the priority of any preferred stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill period to) loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness incurred by the Company or any Restricted Subsidiary, in each case, shall not be deemed to constitute such an encumbrance or restriction.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

(1) agreements governing Indebtedness and Credit Facilities as in effect on the Issue Date and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided* that the amendments, restatements, modifications,

renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the Issue Date;

(2) the Indenture, the Notes, the Note Guarantees, the Parallel Priority Agreement and the Security Documents;

(3) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under "Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock" if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the holders of the Notes than the encumbrances and restrictions contained in the Senior Credit Agreement, the Existing Priority Agreement and the Parallel Priority Agreement, in each case, as in effect on the Issue Date (as determined in good faith by the Company);

(4) applicable law, rule, regulation or order or the terms of any license, authorization, concession or permit;

(5) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; *provided* that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the Indenture to be incurred;

(6) customary non-assignment and similar provisions in contracts, leases and licenses entered into in the ordinary course of business;

(7) purchase money obligations for property acquired in the ordinary course of business and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described in clause (3) of the preceding paragraph;

(8) any agreement for the sale or other disposition of the Capital Stock or all or substantially all of the property and assets of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending its sale or other disposition;

(9) Permitted Refinancing Indebtedness; *provided* that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(10) Liens permitted to be incurred under the provisions of the covenant described above under the caption "—Liens" that limit the right of the debtor to dispose of the assets subject to such Liens;

(11) customary provisions limiting the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements in the ordinary course of business (including agreements entered into in connection with a Restricted Investment), which limitation is applicable only to the assets that are the subject of such agreements;

(12) restrictions on cash or other deposits or net worth imposed by customers or suppliers or required by insurance, surety or bonding companies, in each case, under contracts entered into in the ordinary course of business; and

(13) any encumbrance or restriction existing under any agreement that extends, renews, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing clauses (1) through (12), or in this clause (13); *provided* that the terms and conditions of any such encumbrances or restrictions are no more restrictive in any material respect than those under or pursuant to the agreement so extended, renewed, refinanced or replaced.

Merger, Consolidation or Sale of Assets

The Company will not directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Company is the surviving corporation), or (2) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole in one or more related transactions, to another Person, unless:

(1) either: (a) the Company is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made is an entity organized or existing under the laws of any member state of the Pre-Expansion European Union, Switzerland, Canada, any state of the United States or the District of Columbia;

(2) the Person formed by or surviving any such consolidation or merger with the Company (if other than the Company) or the Person to which such sale, assignment, transfer, conveyance, lease or other disposition has been made assumes all the obligations of the Company under the Notes and the Indenture;

(3) immediately after such transaction, no Default or Event of Default exists;

(4) the Company or the Person formed by or surviving any such consolidation or merger (if other than the Company), or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made would, on the date of such transaction after giving *pro forma* effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable two-quarter period (i) be permitted to incur at least €1.00 of additional Indebtedness pursuant to the Consolidated Leverage Ratio test set forth in the first paragraph of the covenant described above under the caption "—Incurrence of Indebtedness and Issuance of Preferred Stock" or (ii) have a Consolidated Leverage Ratio no greater than it was immediately prior to giving effect to such transaction; and

(5) the Company delivers to the Trustee an Officer's Certificate and opinion of counsel, in each case, stating that such consolidation, merger or transfer and such supplemental indenture comply with this covenant.

A Guarantor (other than a Guarantor whose Note Guarantee is to be released in accordance with the terms of the Note Guarantee and the Indenture as described under "—Note Guarantees") will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not such Guarantor is the surviving corporation), or (2) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of such Guarantor and its Subsidiaries which are Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person, unless:

(1) immediately after giving effect to that transaction, no Default or Event of Default exists; and

(2) either:

    (a) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger assumes all the obligations of that Guarantor under its Note Guarantee, the Indenture and the Security Documents to which such Guarantor is a party pursuant to a supplemental indenture and appropriate Security Documents satisfactory to the Trustee; or

    (b) the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of the Indenture.

In addition, the Company will not, directly or indirectly, lease all or substantially all of the properties and assets of it and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to any other Person.

Clauses (3) and (4) of the first paragraph of this "Merger, Consolidation or Sale of Assets" covenant will not apply to any sale or other disposition of all or substantially all of the assets or merger or consolidation of the Company with or into any other Guarantor and clause (4) of the first paragraph of this "Merger, Consolidation or Sale of Assets" covenant will not apply to any sale or other disposition of all or substantially all of the assets or merger or consolidation of the Company with or into an Affiliate solely for the purpose of reincorporating the Company in another jurisdiction for tax reasons.

Transactions with Affiliates

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, make any payment to or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Company (each, an "*Affiliate Transaction*") involving aggregate payments or consideration in excess of €5.0 million, unless:

(1) the Affiliate Transaction is on terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person; and

(2) the Company delivers to the Trustee:

(a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €10.0 million, a resolution of the Board of Directors of the Company set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors of the Company; and, in addition,

(b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €50.0 million, an opinion of an accounting, appraisal or investment banking firm of international standing, or other recognized independent expert of international standing with experience appraising the terms and conditions of the type of transaction or series of related transactions for which an opinion is required, stating that the transaction or series of related transactions is (i) fair from a financial point of view taking into account all relevant circumstances or (ii) on terms not less favorable than might have been obtained in a comparable transaction at such time on an arm's length basis from a Person who is not an Affiliate.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(1) any employment agreement, collective bargaining agreement, consultant, employee benefit arrangements with any employee, consultant, officer or director of the Company or any Restricted Subsidiary, including under any stock option, stock appreciation rights, stock incentive or similar plans, entered into in the ordinary course of business;

(2) transactions between or among the Company and/or its Restricted Subsidiaries;

(3) transactions in the ordinary course of business with a Person (other than an Unrestricted Subsidiary of the Company) that is an Affiliate of the Company solely because the Company owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;

(4) payment of reasonable and customary fees and reimbursements of expenses (pursuant to indemnity arrangements or otherwise) of Officers, directors, employees or consultants of the Company or any of its Restricted Subsidiaries;

(5) any issuance of Equity Interests (other than Disqualified Stock) of the Company to Affiliates of the Company;

(6) any Investment (other than a Permitted Investment) or other Restricted Payment, in either case, that does not violate the provisions of the Indenture described above under the caption "—Restricted Payments";

(7) Management Advances;

(8) any Permitted Investments (other than Permitted Investments described in clauses (3), (12) and (16) of the definition thereof);

(9) the incurrence of any Subordinated Shareholder Debt;

(10) transactions pursuant to, or contemplated by any agreement in effect on the Issue Date and transactions pursuant to any amendment, modification or extension to such agreement, so long as such amendment, modification or extension, taken as a whole, is not more disadvantageous to the holders of the Notes than the original agreement as in effect on the Issue Date;

(11) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services or providers of employees or other labor, in each case in the ordinary course of business and otherwise in compliance with the terms of this Indenture that are fair to the Company or the Restricted Subsidiaries, in the reasonable determination of the members of the Board of Directors of the Company or the senior management thereof, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated Person; and

(12) any payments or other transactions pursuant to a tax sharing agreement between the Company and any other Person or a Restricted Subsidiary of the Company and any other Person with which the Company or any of its Restricted Subsidiaries files a consolidated tax return or with which the Company or any of its Restricted Subsidiaries is part of a group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation; *provided*, *however*, that any such tax sharing or arrangement and payment does not permit or require payments in excess of the amounts of tax that would be payable by the Company and its Restricted Subsidiaries on a stand- alone basis.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors of the Company may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Company and its Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the covenant described above under the caption "—Restricted Payments" or under one or more clauses of the definition of Permitted Investments, as determined by the Company. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Company may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if that redesignation would not cause a Default.

Any designation of a Subsidiary of the Company as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a copy of a resolution of the Board of Directors giving effect to such designation and an Officer's Certificate certifying that such designation complied with the preceding conditions and was permitted by the covenant described above under the caption "—Restricted Payments". If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary as of such date and, if such Indebtedness is not permitted to be incurred as of such date under the covenant described under the caption "—Incurrence of Indebtedness and Issuance of Preferred Stock", the Company will be in default of such covenant. The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted under the covenant described under the caption "—Incurrence of Indebtedness and Issuance of Preferred Stock", calculated on a pro forma basis as if such designation had occurred at the beginning of the applicable reference period; and (2) no Default or Event of Default would be in existence following such designation.

Maintenance of Listing

The Company will use its commercially reasonable efforts to maintain the listing of the Notes on the Euro MTF market for so long as such Notes are outstanding; *provided* that if at any time the Company determines that it will not maintain such listing, it will obtain prior to the delisting of the Notes from the Euro MTF market, and thereafter use its commercially reasonable efforts to maintain, a listing of such Notes on another "recognized stock exchange" as defined in §841 of the Income and Corporation Taxes Act 1988 of the United Kingdom.

Limitation on Issuances of Guarantees of Indebtedness

The Company will not permit any of its Restricted Subsidiaries, directly or indirectly, to guarantee the payment of any other Indebtedness of the Company or its Restricted Subsidiaries unless such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture providing for the Note Guarantee of the payment of the Notes by such Restricted Subsidiary, which Note Guarantee will be senior to such Restricted Subsidiary's guarantee of such other

Indebtedness unless such other Indebtedness is Senior Debt, in which case the Guarantee of the Notes may be subordinated to the Guarantee of such Senior Debt to the same extent as the Notes Guarantees are subordinated to such Senior Debt.

The first paragraph of this covenant will not be applicable to any guarantees of any Restricted Subsidiary:

(1) that existed at the time such Person became a Restricted Subsidiary if the guarantee was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary; or

(2) arising solely due to the granting of a Permitted Lien that would not otherwise constitute a guarantee of Indebtedness of the Company or any Guarantor.

The form of the Note Guarantee will be attached as an exhibit to the Indenture.

Payments for Consent

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any holder of Notes for or as an inducement to any consent, waiver or amendment of any of the terms of the provisions of the Indenture or the Notes unless such consideration is offered to be paid and is paid to all holders of the Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, the Company and its Restricted Subsidiaries shall be permitted, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Indenture, to exclude holders of Notes in any jurisdiction where (i) the solicitation of such consent, waiver or amendment, including in connection with an offer to purchase for cash, or (ii) the payment of the consideration therefor would require the Company or any of its Restricted Subsidiaries to file a registration statement, prospectus or similar document under any applicable securities laws (including, but not limited to, the United States federal securities laws and the laws of the European Union or its member states), which the Company in its sole discretion determines (acting in good faith) would be materially burdensome (it being understood that it would not be materially burdensome to file the consent document(s) used in other jurisdictions, any substantially similar documents or any summary thereof with the securities or financial services authorities in such jurisdiction; or (B) such solicitation would otherwise not be permitted under applicable law in such jurisdiction.

Lines of Business

The Company will not, and will not permit any Restricted Subsidiary to, engage in any business other than a Permitted Business, except to such extent as would not be material to the Company and its Restricted Subsidiaries, taken as a whole.

Impairment of Security Interest

(a) The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, take or knowingly or negligently omit to take, any action which action or omission might or would have the result of materially impairing the security interest with respect to the Collateral (it being understood that the incurrence of Liens on the Collateral permitted by the definition of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the security interest with respect to the Collateral) for the benefit of the Trustee and the holders of the Notes, and the Company will not, and will not cause or permit any of its Restricted Subsidiaries to, grant to any Person other than the Security Trustee, for the benefit of the Trustee and the holders of the Notes and the other beneficiaries described in the Security Documents and the Parallel Priority Agreement, any interest whatsoever in any of the Collateral; *provided* that (a) nothing in this provision shall restrict the discharge or release of the Collateral in accordance with the Indenture, the Security Documents and the Parallel Priority Agreement and (b) the Company may incur Permitted Collateral Liens; and *provided further*, *however*, that no Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified or replaced, unless contemporaneously with such amendment, extension, replacement, restatement, supplement, modification or renewal, the Company delivers to the Trustee either (1) a solvency opinion from an internationally recognized investment bank or accounting firm, in form and substance reasonably satisfactory to the Trustee confirming the solvency of the Company and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, supplement, modification or replacement or (2) an opinion of counsel, in form and substance reasonably satisfactory to the Trustee (subject to customary exceptions and qualifications), confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, the Lien or Liens securing the Notes created under the Security Documents so amended, extended, renewed, restated, supplemented, modified or replaced are valid and perfected Liens not otherwise subject to any limitation imperfection or new hardening period, in equity or at law, and that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification or replacement.

(b) At the direction of the Company and without the consent of the holder of Notes, the Security Trustee may from time to time enter into one or more amendments to the Security Documents to: (i) cure any ambiguity, omission, defect or inconsistency therein, (ii) (but subject to compliance with paragraph (a) above) provide for Permitted Collateral Liens, (iii) add to the Collateral or (iv) make any other change thereto that does not adversely affect the rights of the holders of the Notes in any material respect.

(c) In the event that the Company complies with this covenant, the Trustee and the Security Trustee shall (subject to customary protections and indemnifications) consent to such amendment, extension, renewal, restatement, supplement, modification or replacement with no need for instructions from holders of the Notes.

Additional Parallel Priority Agreements

At the request of the Company, without the consent of holders of the Notes, and at the time of, or prior to, the incurrence by the Company or a Guarantor of Indebtedness permitted pursuant to (x) the first paragraph of the covenant described under "—Incurrence of Indebtedness and Issuance of Preferred Stock" or clause (1), (4) (other than with respect to Capitalized Lease Obligations), (8) and (17) of the second paragraph of the covenant described under "—Incurrence of Indebtedness and Issuance of Preferred Stock" and (y) any Permitted Refinancing Indebtedness in respect of Indebtedness referred to in the foregoing clause (x) (*provided* that, in the case of both (x) and (y), any such Indebtedness shall be Senior Debt), the Company or the relevant Guarantor and the Trustee shall enter into with the holders of such Indebtedness (or their duly authorized representatives) an intercreditor agreement (an "Additional Parallel Priority Agreement") on substantially the same terms as the Parallel Priority Agreement, including, in respect of Senior Debt, containing substantially the same terms with respect to the subordination, payment blockage, limitation on enforcement and release of guarantees and priority as set forth in the Parallel Priority Agreement (or on terms more favorable to the holders of the Notes) and including; *provided* that only one stop notice can be given by Designated Senior Debt in any 360-day period or in respect of the same event or circumstances regardless of the number of facilities or other instruments constituting "Designated Senior Debt" of a Guarantor or the number of intercreditor agreements; *provided*, *further*, that in no event may the total number of days for which a stop notice is in effect exceed 179 days in the aggregate during any consecutive 360-day period; *provided*, *further*, that in no event may the total number of days for which any enforcement standstill exceed 179 days; *provided*, *further*, that such Additional Parallel Priority Agreement will not impose any personal obligations on the Trustee or adversely affect the rights, duties, liabilities or immunities of the Trustee under the Indenture or the Parallel Priority Agreement; *provided*, *further*, that only Designated Senior Debt shall be entitled to instruct the Security Trustee initiate a payment blockage. Any such Additional Parallel Priority Agreement shall provide for the release of any subordinated guarantee or junior security on the same terms as the Note Guarantees.

At the request of the Company, without the consent of holders of the Notes, and at the time of, or prior to, the incurrence by the Company or a Guarantor of Indebtedness permitted to be incurred pursuant to the preceding paragraph, the Company or the relevant Guarantor and the Trustee shall enter into one or more amendments to any Parallel Priority Agreement or Additional Parallel Priority Agreement to: (1) to cure defects, resolve ambiguities or reflect changes, in each case, of a minor, technical or administrative nature, (2) increase the amount or types of Indebtedness covered by any Parallel Priority Agreement or Additional Parallel Priority Agreement that may be incurred by the Company or a Guarantor that is subject to any Parallel Priority Agreement or Additional Parallel Priority Agreement (provided that such amendment is consistent with the preceding paragraph), (3) add new Guarantors to the Parallel Priority Agreement or an Additional Parallel Priority Agreement, (4) further secure the Notes, (5) make provision for the security securing Additional Notes to rank pari passu with the Collateral or (6) make any other change to any such Parallel Priority Agreement or an Additional Parallel Priority Agreement that does not adversely affect the rights of holders of the Notes in any material respect.

The Company shall not otherwise direct the Trustee to enter into any amendment to the Parallel Priority Agreement or any Additional Parallel Priority Agreement without the consent of the holders of the majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted by "Amendment, Supplement and Waiver" and the Company may only direct the Trustee to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or adversely affect the rights, duties, liabilities or immunities of the Trustee under the Indenture, the Parallel Priority Agreement or such Additional Parallel Priority Agreement.

In relation to the Parallel Priority Agreement or to the extent applicable an Additional Parallel Priority Agreement, the Trustee shall be deemed to have consented on behalf of the holders of the Notes to any payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Notes thereby, *provided* that such transaction would comply with the covenant described under "—Restricted payments."

Each holder of the Notes shall be deemed to have agreed to and accepted the terms and conditions of the Parallel Priority Agreement or any Additional Parallel Priority Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein).

Suspension of Covenants when Notes Rated Investment Grade

If on any date following the Issue Date:

(1) the Notes have achieved Investment Grade Status; and

(2) no Default or Event of Default shall have occurred and be continuing on such date,

then, beginning on that day and continuing until such time, if any, at which the Notes cease to have Investment Grade Status (such period, the "*Suspension Period*"), the covenants specifically listed under the following captions in this offering memorandum will no longer be applicable to the Notes and any related default provisions of the Indenture will cease to be effective and will not be applicable to the Company and its Restricted Subsidiaries:

(1) "—Repurchase at the Option of Holders—Asset Sales";

(2) "—Incurrence of Indebtedness and Issuance of Preferred Stock";

(3) "—Restricted Payments";

(4) "—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries";

(5) clause (4) of the first paragraph of the covenant described under "—Merger, Consolidation or Sale of Assets";

(6) "—Transactions with Affiliates"; and

(7) "—Designation of Restricted and Unrestricted Subsidiaries."

Such covenants will not, however, be of any effect with regard to the actions of Company and the Restricted Subsidiaries properly taken during the continuance of the Suspension Period; *provided* that (1) with respect to the Restricted Payments made after any such reinstatement, the amount of Restricted Payments will be calculated as though the covenant described under the caption "—Restricted Payments" had been in effect prior to, but not during, the Suspension Period and (2) all Indebtedness incurred, or Disqualified Stock or preferred stock issued, during the Suspension Period will be classified to have been incurred or issued pursuant to clause (2) of the second paragraph of the caption "—Incurrence of Indebtedness and Issuance of Preferred Stock". Upon the occurrence of a Suspension Period, the amount of Excess Proceeds shall be reset at zero.

There can be no assurance that the Notes will ever achieve or maintain an Investment Grade Status.

Reports

So long as any Notes are outstanding, the Company will furnish to the Trustee:

(1) within 120 days after the end of the Company's fiscal year beginning with the fiscal year ending December 31, 2010, annual reports containing the following information with a level of detail that is substantially comparable and similar in scope to this offering memorandum: (a) audited consolidated balance sheet of the Company as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Company for the three most recent fiscal years, including complete footnotes to such financial statements and the report of the independent auditors on the financial statements; (b) *pro forma* income statement and balance sheet information of the Company, together with explanatory footnotes, for any material acquisitions or dispositions (including, without limitation, any acquisitions or disposition that, individually or in the aggregate when considered with all other acquisition or dispositions that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates, represent greater than 20% of the consolidated revenues, EBITDA, or assets of the Company on a *pro forma* basis) or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates; (c) an operating and financial review of the audited financial statements, including a discussion of the results of operations (including a discussion by business segment), financial condition and liquidity and capital resources, and a discussion of material commitments and

contingencies and critical accounting policies; (d) a description of the industry, business, management and shareholders of the Company, all material affiliate transactions, Indebtedness and material financing arrangements and a description of all material contractual arrangements, including material debt instruments; and (e) material risk factors and material recent developments.

(2) within 60 days following the end of each of the first three fiscal quarters in each fiscal year of the Company beginning with the fiscal quarter ending March 31, 2010, quarterly reports containing the following information: (a) an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the quarterly and year to date periods ending on the unaudited condensed balance sheet date, and the comparable prior year periods for the Company, together with condensed footnote disclosure; (b) *pro forma* income statement and balance sheet information, together with explanatory footnotes, for any material acquisitions or dispositions (including, without limitation, any acquisition or disposition that, individually or in the aggregate when considered with all other acquisitions or dispositions that have occurred since the beginning of the most recent completed fiscal quarter as to which such quarterly report relates, represents greater than 20% of the consolidated revenues, EBITDA or assets of the Company on a *pro forma* basis) or recapitalizations that have occurred since the beginning of the most recently completed fiscal quarter as to which such quarterly report relates; (c) an operating and financial review of the unaudited financial statements (including a discussion by business segment), including a discussion of the consolidated financial condition and results of operations of the Company and any material change between the current quarterly period and the corresponding period of the prior year; and (d) material developments in the business of the Company and its Subsidiaries; and (e) any material changes to the risk factors disclosed in the most recent annual report with respect to the Company.

(3) promptly after the occurrence of (a) a material acquisition, disposition or restructuring (including any acquisition or disposition that would require the delivery of *pro forma* financial information pursuant to clauses (1) or (2) above); (b) any senior management change at the Company; (c) any change in the auditors of the Company; (d) any resignation of a member of the Board of Directors of the Company as a result of a disagreement with the Company; (e) the entering into an agreement that will result in a Change of Control; or (f) any material events that the Company announces publicly, in each case, a report containing a description of such events.

provided, *however*, that the reports set forth in clauses (1), (2) and (3) above will not be required to (i) contain any reconciliation to U.S. generally accepted accounting principles or (ii) include separate financial statements for any Guarantors or non-guarantor Subsidiaries of the Company.

If the Company has designated any of its Subsidiaries as Unrestricted Subsidiaries and such Subsidiaries are Significant Subsidiaries, then the quarterly and annual financial information required by the preceding paragraph will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company.

All financial statements shall be prepared in accordance with IFRS. Except as provided for above, no report need include separate financial statements for the Company or Subsidiaries of the Company or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in this offering memorandum.

In addition, for so long as any Notes remain outstanding and during any period during which the Company is not subject to Section 13 or 15(d) of the U.S. Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Company has agreed that it will, furnish to the holders of the Notes and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the U.S. Securities Act.

The Company will also make available copies of all reports required by clauses (1) through (3) of the first paragraph of the covenant (i) on the Company's website and (ii) if and so long as the Notes are listed on the Euro MTF and the rules of the Luxembourg Stock Exchange so require, at the specified office of the paying agent in Luxembourg.

Events of Default and Remedies

Each of the following is an "*Event of Default*":

(1) default for 30 days in the payment when due of interest or Additional Amounts, if any, with respect to the Notes, whether or not prohibited by the subordination provisions of the Indenture;

(2) default in the payment when due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on, the Notes, whether or not prohibited by the subordination provisions of the Indenture;

(3) failure by the Company or relevant Guarantor to comply with the provisions described under the caption "—Certain Covenants—Consolidation, Merger or Sale of Assets";

(4) failure by the Company or relevant Guarantor for 60 days after written notice to the Company by the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class to comply with any of the agreements in the Indenture (other than a default in performance, or breach, or a covenant or agreement which is specifically dealt with in clauses (1), (2) or (3) or the Notes, the Note Guarantees or the Security Documents);

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries), whether such Indebtedness or Guarantee now exists, or is created after the Issue Date, if that default:

   (a) is caused by a failure to pay principal of, or interest or premium, if any, on, such Indebtedness at the Stated Maturity thereof prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "*Payment Default*"); or

   (b) results in the acceleration of such Indebtedness prior to its express maturity,

   and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates €25.0 million or more;

(6) failure by the Company or any Restricted Subsidiary to pay final judgments entered by a court or courts of competent jurisdiction aggregating in excess of €25.0 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments shall not have been discharged or waived and there shall have been a period of 60 consecutive days during which a stay of enforcement of such judgment or order, by reason of an appeal, waiver or otherwise, shall not have been in effect;

(7) (i) breach by the Company or any of its Restricted Subsidiaries of any material representation, warranty or agreement in the Security Documents; (ii) any security interest created by the Security Documents ceases to be in full force and effect (except as permitted by the terms of the Indenture or the Security Documents), or an assertion by the Company or any of its Restricted Subsidiaries that any Collateral is not subject to a valid, perfected security interest (except as permitted by the terms of the Indenture or the Security Documents); or (iii) the repudiation by the Company of any of its material obligations under the Security Documents;

(8) except as permitted by the Indenture, any Note Guarantee is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be in full force and effect, or any Guarantor, or any Person acting on behalf of any Guarantor, denies or disaffirms its obligations under its Note Guarantee; and

(9) certain events of bankruptcy or insolvency described in the Indenture with respect to the Company or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of its Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary.

In the case of an Event of Default arising from certain events of bankruptcy or insolvency, with respect to the Company, all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the holders of at least 25% in aggregate principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately.

Subject to certain limitations, holders of a majority in aggregate principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from holders of the Notes notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal, interest or Additional Amounts or premium, if any.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any holders of Notes unless such holders have offered to the Trustee indemnity or security satisfactory to it against any loss, liability or expense. Except (subject to the provisions described under "—Amendment, Supplement and Waiver") to enforce the right to receive payment of principal, premium, if any, or interest or Additional Amounts when due, no holder of a Note may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such holder has previously given the Trustee notice that an Event of Default is continuing;

(2) holders of at least 25% in aggregate principal amount of the then outstanding Notes have requested the Trustee to pursue the remedy;

(3) such holders have offered the Trustee security or indemnity satisfactory to it against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity; and

(5) holders of a majority in aggregate principal amount of the then outstanding Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

The holders of not less than a majority in aggregate principal amount of the Notes outstanding may, on behalf of the holders of all outstanding Notes, waive any past default under the Indenture and its consequences, except a continuing default in the payment of the principal of premium, if any, any Additional Amounts or interest on any Note held by a non-consenting holder (which may only be waived with the consent of each holder of Notes affected).

The Company is required to deliver to the Trustee annually a statement regarding compliance with the Indenture.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder of the Company or any Guarantor, as such, will have any liability for any obligations of the Company or the Guarantors under the Notes, the Indenture, the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under applicable securities laws.

Legal Defeasance and Covenant Defeasance

The Company may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an Officer's Certificate, elect to have all of its obligations discharged with respect to the outstanding Notes and all obligations of the Guarantors discharged with respect to their Note Guarantees ("*Legal Defeasance*") except for:

(1) the rights of holders of outstanding Notes to receive payments in respect of the principal of, or interest (including Additional Amounts) or premium, if any, on, such Notes when such payments are due from the trust referred to below;

(2) the Company's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the Trustee, and the Company's and the Guarantors' obligations in connection therewith; and

(4) the Legal Defeasance and Covenant Defeasance provisions of the Indenture.

In addition, the Company may, at its option and at any time, elect to have the obligations of the Company and the Guarantors released with respect to certain covenants (including its obligation to make Change of Control Offers and Asset Sale Offers) that are described in the Indenture ("*Covenant Defeasance*") and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, all Events of Default described under "—Events of Default and Remedies" (except those relating to payments on the Notes or, solely with respect to the Company, bankruptcy or insolvency events) will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the holders of the Notes, cash in euros, non-callable European Government Obligations or a combination of cash in euros and non-callable European Government Obligations, in amounts as will be sufficient, in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, or interest (including Additional Amounts and premium, if any) on the outstanding Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Company must specify whether the Notes are being defeased to such stated date for payment or to a particular redemption date;

(2) in the case of Legal Defeasance, the Company must deliver to the Trustee an opinion reasonably acceptable to the Trustee of United States counsel confirming that (a) the Company has received from, or there has been published by, the U.S. Internal Revenue Service a ruling or (b) since the Issue Date, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion of counsel will confirm that, the holders of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Company must deliver to the Trustee an opinion reasonably acceptable to the Trustee of United States counsel confirming that the holders of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) the Company must deliver to the Trustee an Officer's Certificate stating that the deposit was not made by the Company with the intent of preferring the holders of Notes over the other creditors of the Company with the intent of defeating, hindering, delaying or defrauding any creditors of the Company or others; and

(5) the Company must deliver to the Trustee an Officer's Certificate and an opinion of counsel, subject to customary assumptions and qualifications, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Amendment, Supplement and Waiver

Except as provided otherwise in the succeeding paragraphs, the Indenture, the Notes, the Note Guarantees, the Security Documents, the Parallel Priority Agreement or any Additional Parallel Priority Agreement may be amended or supplemented with the consent of the holders of at least a majority in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing Default or Event of Default or compliance with any provision of the Indenture, the Notes, the Note Guarantees, the Security Documents, the Parallel Priority Agreement or any Additional Parallel Priority Agreement may be waived with the consent of the holders of a majority in aggregate principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

Unless consented to by the holders of at least 90% of the aggregate principal amount of then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), without the consent of each holder of Notes affected, an amendment, supplement or waiver may not (with respect to any Notes held by a non-consenting holder):

(1) reduce the principal amount of Notes whose holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of or change the fixed maturity of any Note or alter the provisions with respect to the redemption of the Notes (other than provisions relating to the covenants described above under the caption "—Repurchase at the Option of Holders");

(3) reduce the rate of or change the time for payment of interest, including default interest, on any Note;

(4) impair the right of any holder of Notes to receive payment of principal of and interest on such holder's Notes on or after the due dates therefore or to institute suit for the enforcement of any payment on or with respect to such holder's Notes or any Guarantee in respect thereof;

(5) waive a Default or Event of Default in the payment of principal of, or interest, Additional Amounts or premium, if any, on, the Notes (except a rescission of acceleration of the Notes by the holders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the Payment Default that resulted from such acceleration);

(6) make any Note payable in money other than that stated in the Notes;

(7) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of holders of Notes to receive payments of principal of, or interest, Additional Amounts or premium, if any, on, the Notes;

(8) waive a redemption payment with respect to any Note (other than a payment required by one of the covenants described above under the caption "—Repurchase at the Option of Holders");

(9) release any Guarantor from any of its obligations under its Note Guarantee or the Indenture, except in accordance with the terms of the Indenture;

(10) release any Collateral granted for the benefit of the holders of the Notes, except in accordance with the terms of the Indenture or the Security Documents; or

(11) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding, without the consent of any holder of Notes, the Company, the Guarantors and the Trustee may amend or supplement the Indenture, the Notes or the Note Guarantees:

(1) to cure any ambiguity, defect or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(3) to provide for the assumption of the Company's or a Guarantor's obligations to holders of Notes and Note Guarantees in the case of a merger or consolidation or sale of all or substantially all of the Company's or such Guarantor's assets, as applicable;

(4) to make any change that would provide any additional rights or benefits to the holders of Notes or that does not adversely affect the legal rights under the Indenture of any such holder in any material respect;

(5) to conform the text of the Indenture, the Note Guarantees, the Security Documents, or the Notes to any provision of this Description of the Notes to the extent that such provision in this Description of the Notes was intended to be a verbatim recitation of a provision of the Indenture, the Note Guarantees, the Security Documents, or the Notes;

(6) to enter into additional or supplemental Security Documents;

(7) to release any Note Guarantee in accordance with the terms of the Indenture;

(8) to release the Collateral in accordance with the terms of the Indenture and the Security Documents;

(9) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture as of the Issue Date;

(10) to allow any Guarantor to execute a supplemental indenture and/or a Note Guarantee with respect to the Notes; or

(11) to evidence and provide the acceptance of the appointment of a successor Trustee under the Indenture.

The consent of the holders of Notes is not necessary under the Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

In formulating its opinion on such matters, the Trustee shall be entitled to rely absolutely on such evidence as it deems appropriate, including an opinion of counsel and an Officer's Certificate.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

(1) either:

(a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Company, have been delivered to the Trustee for cancellation; or

(b) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year and the Company or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the holders, cash in euros, non-callable European Government Obligations or a combination of cash in euros and non-callable European Government Obligations, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Trustee for cancellation for principal, premium and Additional Amounts, if any, and accrued interest to the date of maturity or redemption;

(2) the Company or any Guarantor has paid or caused to be paid all sums payable by it under the Indenture; and

(3) the Company has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, the Company must deliver an Officer's Certificate and an opinion of counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied; *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)).

Judgment Currency

Any payment on account of an amount that is payable in euros which is made to or for the account of any holder or the Trustee in lawful currency of any other jurisdiction (the "*Judgment Currency*"), whether as a result of any judgment or order or the enforcement thereof or the liquidation of the Company or any Guarantor, shall constitute a discharge of the Company or the Guarantor's obligation under the Indenture and the Notes or Note Guarantee, as the case may be, only to the extent of the amount of euros with such holder or the Trustee, as the case may be, could purchase in the London foreign exchange markets with the amount of the Judgment Currency in accordance with normal banking procedures at the rate of exchange prevailing on the first Business Day following receipt of the payment in the Judgment Currency. If the amount of euros that could be so purchased is less than the amount of euros originally due to such holder or the Trustee, as the case may be, the Company and the Guarantors shall indemnify and hold harmless the holder or the Trustee, as the case may be, from and against all loss or damage arising out of, or as a result of, such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in the Indenture or the Notes, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any holder or the Trustee from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order.

Concerning the Trustee

The Company shall deliver written notice to the Trustee within thirty (30) days of becoming aware of the occurrence of a Default or an Event of Default. If the Trustee becomes a creditor of the Company or any Guarantor, the Indenture limits the right of the Trustee to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest it must eliminate such conflict within 90 days or resign as Trustee.

The holders of a majority in aggregate principal amount of the then outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The Indenture provides that in case an Event of Default occurs and is continuing, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any holder of Notes, unless such holder has offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

The Company and (following the Completion Date) the Guarantors jointly and severally will indemnify the Trustee for certain claims, liabilities and expenses incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with its duties.

Listing

Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes to trading on the Euro MTF market.

Additional Information

Anyone who receives this offering memorandum may, following the Issue Date, obtain a copy of the Indenture, the form of Note, the Security Documents and the Parallel Priority Agreement without charge by writing to the Company, Afdeling Strategy & Legal, Postbus 43048, 3540 AA Utrecht, the Netherlands, Attention: Arent van der Feltz.

So long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market and the rules of the Luxembourg Stock Exchange shall so require, copies of the financial statements included in this offering memorandum may be obtained, free of charge, during normal business hours at the offices of the Paying Agent in Luxembourg.

Consent to Jurisdiction and Service of Process

The Indenture will provide that the Company and each Guarantor, will appoint CT Corporation System, 111 Eighth Avenue, 13th Floor, New York, New York 10011, USA as its agent for service of process in any suit, action or proceeding with respect to the Indenture, the Notes and the Notes Guarantees brought in any U.S. federal or New York state court located in the City of New York and will submit to such jurisdiction.

Enforceability of Judgments

Substantially all of the assets of the Company and the Guarantors are outside the United States. As a result, any judgment obtained in the United States against the Company or any Guarantor may not be collectable within the United States. See “Enforcement of Judgments”.

Prescription

Claims against the Company or any Guarantor for the payment of principal or Additional Amounts, if any, on the Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against the Company or any Guarantor for the payment of interest on the Notes will be prescribed five years after the applicable due date for payment of interest.

Certain Definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all defined terms used therein, as well as any other capitalized terms used herein for which no definition is provided.

“*ABC B.V.*” means Amsterdamse Beheer- en Consultingmaatschappij B.V.

“*Acquired Debt*” means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary; and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"*Additional Proceeds Loan*" means any loan agreement entered into between the Company and ABC B.V. pursuant to which the Company lends, on terms substantially identical to those contained in the Proceeds Loan, the proceeds of an issuance of Additional Notes to ABC B.V., as amended from time to time.

"*Affiliate*" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control", as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms "controlling", "controlled by" and "under common control with" have correlative meanings.

"*Applicable Premium*" means, with respect to any Note on any redemption date, the greater of:

(1) 1.0% of the principal amount of the Note; or

(2) the excess of:

(a) the present value at such redemption date of (i) the redemption price of the Note at May 15, 2014, (such redemption price being set forth in the table appearing above under the caption "—Optional Redemption") plus (ii) all required interest payments due on the Note through May 15, 2014 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points; over

(b) the principal amount of the Note.

"*Asset Sale*" means:

(1) the sale, lease, conveyance or other disposition of any assets by the Company or any of its Restricted Subsidiaries; *provided* that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the Indenture described above under the caption "—Repurchase at the Option of Holders—Change of Control" and/or the provisions described above under the caption "—Certain Covenants—Merger, Consolidation or Sale of Assets" and not by the provisions described under the caption "—Repurchase at the Option of Holders—Asset Sales"; and

(2) the issuance of Equity Interests by any Restricted Subsidiary or the sale by the Company or any of its Restricted Subsidiaries of Equity Interests in any of the Company's Subsidiaries (in each case, other than directors' qualifying shares).

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(1) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than €10.0 million;

(2) a transfer of assets or Equity Interests between or among the Company and any Restricted Subsidiary;

(3) an issuance of Equity Interests by a Restricted Subsidiary to the Company or to a Restricted Subsidiary;

(4) the sale, lease or other transfer of accounts receivable, inventory, trading stock, communications capacity and other assets in the ordinary course of business (including the abandonment or other disposition of intellectual property that is, in the reasonable judgment of the Company, no longer economically practicable to maintain or useful in the conduct of business of the Company and its Restricted Subsidiaries taken as a whole);

(5) licenses and sublicenses by the Company or any of its Restricted Subsidiaries of software or intellectual property in the ordinary course of business;

(6) any surrender or waiver of contract rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;

(7) the granting of Liens not prohibited by the covenant described above under the caption "—Liens";

(8) the sale or other disposition of cash or Cash Equivalents;

(9) a Restricted Payment that does not violate the covenant described above under the caption "—Certain Covenants—Restricted Payments", a Permitted Investment or any transaction specifically excluded from the definition of Restricted Payment;

(10) the disposition of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(11) the foreclosure, condemnation or any similar action with respect to any property or other assets or a surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind; and

(12) the disposition of assets to a Person who is providing services (the provision of which have been or are to be outsourced by the Company or any Restricted Subsidiary to such Person) related to such assets.

"*Asset Sale Offer*" has the meaning assigned to that term in the Indenture governing the Notes.

"*Beneficial Owner*" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the U.S. Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the U.S. Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms "Beneficially Owns" and "Beneficially Owned" have a corresponding meaning.

"*Board of Directors*" means:

(1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the board of directors of the general partner of the partnership;

(3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and

(4) with respect to any other Person, the board or committee of such Person serving a similar function.

"*Bund Rate*" means, as of any redemption date, the rate per annum equal to the equivalent yield to maturity as of such redemption date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such relevant date, where:

(1) "*Comparable German Bund Issue*" means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to May 15, 2014, and that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of euro denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to May 15, 2014; *provided*, *however*, that, if the period from such redemption date to May 15, 2014 is less than one year, a fixed maturity of one year shall be used;

(2) "*Comparable German Bund Price*" means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Company obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;

(3) "*Reference German Bund Dealer*" means any dealer of German Bundesanleihe securities appointed by the Company in good faith; and

(4) "*Reference German Bund Dealer Quotations*" means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Company of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal

amount) quoted in writing to the Company by such Reference German Bund Dealer at 3:30 p.m. Frankfurt, Germany time on the third Business Day preceding the relevant date.

"*Business Day*" means a day other than a Saturday, Sunday or other day on which banking institutions in London, Amsterdam or New York or a place of payment under the Indenture are authorized or required by law to close.

"*Capital Lease Obligation*" means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet (excluding the footnotes thereto) prepared in accordance with IFRS, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"*Capital Stock*" means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"*Cash Equivalents*" means:

(1) direct obligations (or certificates representing an interest in such obligations) issued by, or unconditionally guaranteed by, the government of a member state of the Pre-Expansion European Union, the United States of America, Switzerland or Canada (including, in each case, any agency or instrumentality thereof), as the case may be, the payment of which is backed by the full faith and credit of the relevant member state of the European Union or the United States of America, Switzerland or Canada, as the case may be, and which are not callable or redeemable at the Company's option;

(2) overnight bank deposits, time deposit accounts, certificates of deposit, banker's acceptances and money market deposits with maturities (and similar instruments) of 12 months or less from the date of acquisition issued by a bank or trust company which is organized under, or authorized to operate as a bank or trust company under, the laws of a member state of the Pre-Expansion European Union or of the United States of America or any state thereof, Switzerland or Canada; *provided* that such bank or trust company has capital, surplus and undivided profits aggregating in excess of €250 million (or the foreign currency equivalent thereof as of the date of such investment) and whose long-term debt is rated "A-1" or higher by Moody's or A+ or higher by S&P or the equivalent rating category of another internationally recognized rating agency;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) above entered into with any financial institution meeting the qualifications specified in clause (2) above;

(4) commercial paper having one of the two highest ratings obtainable from Moody's or S&P and, in each case, maturing within one year after the date of acquisition; and

(5) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (4) of this definition.

"*Change of Control*" means the occurrence of any of the following:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Subsidiaries taken as a whole to any Person (including any "person" (as that term is used in Section 13(d)(3) of the U.S. Exchange Act) other than one or more Permitted Holders);

(2) the adoption of a plan relating to the liquidation or dissolution of the Company;

(3) the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any Person (including any "person" as defined above) other than one or more Permitted Holders becomes the Beneficial Owner, directly or indirectly, of more than 50% of the issued and outstanding Voting Stock of the Company measured by voting power rather than number of shares; or

(4) during any period of two consecutive years, individuals who at the beginning of such period constituted the majority of the shareholder representatives on the Board of Directors of the Company (together with any new directors whose election by the majority of the shareholder representatives on such Board of Directors of the Company as applicable, or whose nomination for election by shareholders of the Company, as applicable, was approved by a vote of the majority of the shareholder representatives on the Board of Directors of the Company, as applicable, then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) ceased for any reason to constitute the majority of the shareholder representatives on the Board of Directors of the Company, as applicable, then in office.

provided that, in each case, a Change of Control shall not be deemed to have occurred if such Change of Control is also a Specified Change of Control Event.

"*Change of Control Offer*" has the meaning assigned to that term in the Indenture governing the Notes.

"*Cinven*" means Cinven Limited.

"*Collateral*" means the property and assets of the Company over which a Lien has been granted to secure the obligations of the Company under the Notes and the Indenture pursuant to the Security Documents.

"*Consolidated EBITDA*" means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus the following to the extent deducted in calculating such Consolidated Net Income, without duplication:

(1) provision for taxes based on income or profits of such Person and its Subsidiaries which are Restricted Subsidiaries for such period; *plus*

(2) the Fixed Charges of such Person and its Subsidiaries which are Restricted Subsidiaries for such period; *plus*

(3) depreciation, amortization (including, without limitation, amortization of intangibles and deferred financing fees) and other non-cash charges and expenses (including without limitation write-downs and impairment of property, plant, equipment and intangibles and other long-lived assets and the impact of purchase accounting on the Company and its Restricted Subsidiaries for such period) of the Company and its Restricted Subsidiaries (excluding any such non-cash charge or expense to the extent that it represents an accrual of or reserve for cash charges or expenses in any future period or amortization of a prepaid cash charge or expense that was paid in a prior period) for such period; *plus*

(4) any expenses, charges or other costs related to the issuance of any Capital Stock, or any Permitted Investment, acquisition, disposition, recapitalization or listing or the incurrence of Indebtedness permitted to be incurred under the covenant described above under the caption "—Certain Covenants—Limitation on Indebtedness" whether or not successful; *plus*

(5) any foreign currency transaction losses of the Company and its Restricted Subsidiaries; *plus*

(6) the amount of any minority interest expense consisting of subsidiary income attributable to minority equity interests of third parties in any non-wholly owned Restricted Subsidiary in such period or any prior period, except to the extent of dividends declared or paid on, or other cash payments in respect of, Equity Interests held by such parties; *plus*

(7) (a) any unusual loss or charge, or (b) any non-cash charges or reserves in respect of any integration; *plus*

(8) all expenses incurred directly in connection with any early extinguishment of Indebtedness; *minus*

(9) any unusual gain; *minus*

(10) any foreign currency transaction gains of the Company and its Restricted Subsidiaries; *minus*

(11) non-cash items increasing such Consolidated Net Income for such period (other than any non-cash items increasing such Consolidated Net Income pursuant to clauses (1) through (11) of the definition of Consolidated Net Income), other than the reversal of a reserve for cash charges in a future period in the ordinary course of business,

in each case, on a consolidated basis and determined in accordance with IFRS.

"*Consolidated Leverage*" means, with respect to any Person as of any date of determination, the sum without duplication of (a) the total amount of Indebtedness of such Person and its Restricted Subsidiaries on a consolidated basis, *plus* (b) an amount equal to the greater of the liquidation preference or the maximum fixed redemption or repurchase price of all Disqualified Stock of such Person and all preferred stock of Restricted Subsidiaries of such Person (but not giving effect to any additional Indebtedness to be incurred on the date of determination as part of the same transaction or series of transactions pursuant to the second paragraph under the caption "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock").

"*Consolidated Leverage Ratio*" means, with respect to any specified Person as of any date of determination, the ratio of (a) the Consolidated Leverage of such Person on such date to (b) the Consolidated EBITDA of such Person for such Person's most recently ended two full fiscal quarters for which internal financial statements are available immediately preceding such date, multiplied by 2.0. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Disqualified Stock or preferred stock subsequent to the commencement of the period for which the Consolidated Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Leverage Ratio is made (the "*Calculation Date*"), then the Consolidated Leverage Ratio will be calculated giving *pro forma* effect to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable two-quarter reference period.

For purposes of calculating the Consolidated EBITDA for such period:

(1) acquisitions of any Person, business or group of assets that constitutes an operating unit or division of a business that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers, consolidations, amalgamations or otherwise, or by any Person or any of its Restricted Subsidiaries acquired by the specified Person or any of its Restricted Subsidiaries, and including any related financing transactions and including increases in ownership of Restricted Subsidiaries (including Persons who become Restricted Subsidiaries as a result of such increase), during the two-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date (including transactions giving rise to the need to calculate such Consolidated Leverage Ratio) will be given *pro forma* effect as if they had occurred on the first day of the two-quarter reference period;

(2) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of on or prior to the Calculation Date (including transactions giving rise to the need to calculate such Consolidated Leverage Ratio), will be excluded;

(3) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such two-quarter period; and

(4) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such two-quarter period.

For purposes of this definition, whenever *pro forma* effect is to be given to an Asset Sale, Investment or acquisition, the amount of income or earnings relating thereto or the amount of Consolidated EBITDA associated therewith, the *pro forma* calculation shall be determined in good faith by a responsible financial or accounting Officer of the Company. In determining the amount of Indebtedness outstanding on any date of determination, *pro forma* effect will be given to any incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge or Indebtedness on such date.

"*Consolidated Net Income*" means, with respect to any specified Person for any period, the aggregate of the net income (loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis (excluding the net income (loss) of any Unrestricted Subsidiaries), determined in accordance with IFRS and without any reduction in respect of preferred stock dividends; *provided* that:

(1) the net income or loss of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Restricted Subsidiary which is a Subsidiary of the Person;

(2) solely for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph under the caption "—Certain Covenants—Restricted Payments", any net income or loss of any Restricted Subsidiary (other than any Guarantor) will be excluded if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Company (or any Guarantor that holds the Equity Interests of such Restricted Subsidiary, as applicable) by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Notes or the Indenture and (c) contractual restrictions in effect on the Issue Date with respect to such Restricted Subsidiary and other restrictions with respect to such Restricted Subsidiary that, taken as a whole, are not materially less favorable to the Holders of the Notes than such restrictions in effect on the Issue Date, except that the Company's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary (other than any Guarantor), to the limitation contained in this clause);

(3) any net gain or loss realized upon the sale or other disposition of any asset or disposed operations of the Company or any Restricted Subsidiaries (including pursuant to any sale leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by the Company) will be excluded;

(4) any one time non-cash charges or any amortization or depreciation resulting from purchase accounting, in each case, in relation to any acquisition of, or merger or consolidation with, another Person or business or resulting from any reorganization or restructuring involving the Company or its Subsidiaries will be excluded;

(5) the cumulative effect of a change in accounting principles will be excluded;

(6) any extraordinary, exceptional or nonrecurring gains or losses or any charges in respect of any restructuring, redundancy or severance (in each case as determined in good faith by the Company) will be excluded;

(7) any unrealized gains or losses in respect of Hedging Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value or changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations will be excluded;

(8) any non-cash compensation charge or expenses arising from any grant of stock, stock options or other equity-based awards will be excluded;

(9) any goodwill or other intangible asset impairment charges will be excluded;

(10) all deferred financing costs written off and premium paid in connection with any early extinguishment of Indebtedness and any net gain or loss from any write-off or forgiveness of Indebtedness will be excluded; and

(11) any capitalized interest on any Subordinated Shareholder Debt will be excluded.

"*Contingent Obligations*" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that, in each case, does not constitute Indebtedness ("*primary obligations*") of any other Person (the "*primary obligor*"), including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

(a) for the purchase or payment of any such primary obligation; or

(b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"*continuing*" means, with respect to any Default or Event of Default, that such Default or Event of Default has not been cured or waived.

"*Credit Facilities*" means, one or more debt facilities, instruments or arrangements incurred by any Restricted Subsidiary or any Finance Subsidiary (including the Senior Credit Agreement or commercial paper facilities and overdraft facilities) or commercial paper facilities or indentures or trust deeds or note purchase agreements, in each case, with banks, other institutions, funds or investors, providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit, bonds, notes debentures or other corporate debt instruments or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or trustees or other banks or institutions and whether provided under the Senior Credit Agreement or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "Credit Facilities" shall include any agreement or instrument (1) changing the maturity of any Indebtedness incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Company as additional borrowers, issuers or guarantors thereunder, (3) increasing the amount of Indebtedness incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

"*Currency Exchange Protection Agreement*" means, in respect of any Person, any foreign exchange contract, currency swap agreement, currency option, cap, floor, ceiling or collar or agreement or other similar agreement or arrangement designed to protect such Person against fluctuations in currency exchange rates as to which such Person is a party.

"*Default*" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"*Designated Non-cash Consideration*" means the Fair Market Value of non-cash consideration received by the Company or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as "Designated Non-cash Consideration" pursuant to an Officers' Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Non-cash Consideration.

"*Designated Senior Debt*" means:

(1) any Indebtedness outstanding under the Senior Credit Agreement; and

(2) after payment in full of all Obligations under the Senior Credit Agreement, any other Senior Debt permitted under the Indenture the principal amount of which is €50.0 million or more and that has been designated by the Company as "Designated Senior Debt".

"*Disqualified Stock*" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the six-month anniversary of the date that the Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the issuer thereof to repurchase such Capital Stock upon the occurrence of a Change of Control or an Asset Sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the issuer thereof may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under the caption "—Certain Covenants—Restricted Payments". For purposes hereof, the amount of Disqualified Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Disqualified Stock, such Fair Market Value to be determined as set forth herein.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*Equity Investors*" means (i) Cinven and its Affiliates or any trust, fund, company or partnership owned, managed or advised by Cinven or any limited partner of any such trust, fund, company or partnership, (ii) Warburg Pincus and its Affiliates or any trust, fund, company or partnership owned, managed or advised by Warburg Pincus or any limited partner of any such trust, fund, company or partnership and (iii) senior management of the Company or its business participating through a management equity program.

"*Equity Offering*" means a sale of Capital Stock (x) that is a sale of Capital Stock of the Company (other than Disqualified Stock) other than offerings registered on Form S-8 (or any successor form) under the U.S. Securities Act or any similar offering in other jurisdictions, or (y) the proceeds of which are contributed as Subordinated Shareholder Debt or to the equity (other than through the issuance of Disqualified Stock) of the Company or any of its Restricted Subsidiaries.

"*European Government Obligations*" means direct obligations of, or obligations guaranteed by, a member state of the European Union, and the payment for which such member state of the European Union pledges its full faith and credit.

"*Excluded Contributions*" means the net cash proceeds received by the Company after the Issue Date from:

(1) contributions to its common equity capital; and

(2) the sale (other than to a Subsidiary of the Company) of Capital Stock (other than Disqualified Stock) of the Company,

in each case designated as "Excluded Contributions" pursuant to an Officers' Certificate of the Company (which shall be designated no later than the date on which such Excluded Contribution has been received by the Company), the net cash proceeds of which are excluded from the calculation set forth in the clause (c)(ii) of the covenant described under "—Restricted payments" hereof.

"*Existing Priority Agreement*" means the priority agreement between, among others, ABC B.V., as the parent, certain of the Company's Subsidiaries, as obligors, and ING Bank N.V. as senior agent, mezzanine agent and security agent, dated September 12, 2006 and as amended and restated October 6, 2006 and November 17, 2006, as amended, restated or otherwise modified or varied from time to time.

"*Fair Market Value*" means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress of either party, determined in good faith by the Company's Chief Executive Officer, Chief Financial Officer or responsible accounting or financial officer of the Company.

"*Finance Subsidiary*" means a wholly owned subsidiary that is formed for the purpose of borrowing funds or issuing securities and lending the proceeds to the Company or a Guarantor and that conducts no business other than as may be reasonably incidental to, or related to, the foregoing.

"*Fixed Charges*" means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the consolidated interest expense (net of interest income) of such Person and its Subsidiaries which are Restricted Subsidiaries for such period, whether paid or accrued, including, without limitation, amortization of debt discount (but not debt issuance costs, commissions, fees and expenses), non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of Hedging Obligations or other derivative instruments), the interest

component of deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings; *plus*

(2) the consolidated interest expense (but excluding such interest on Subordinated Shareholder Debt) of such Person and its Subsidiaries which are Restricted Subsidiaries that was capitalized during such period; *plus*

(3) any interest on Indebtedness of another Person that is guaranteed by such Person or one of its Subsidiaries which are Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Subsidiaries which are Restricted Subsidiaries; *plus*

(4) net payments and receipts (if any) pursuant to interest rate Hedging Obligations (excluding amortization of fees) with respect to Indebtedness; *plus*

(5) the product of (a) all dividends, whether paid or accrued and whether or not in cash, on any series of preferred stock of any Restricted Subsidiary, other than dividends on Equity Interests payable to the Company or a Restricted Subsidiary, *times* (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined national, state and local statutory tax rate of such Person, expressed as a decimal, as estimated in good faith by a responsible accounting or financial officer of the Company.

"*Guarantee*" means a guarantee other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business, of all or any part of any Indebtedness (whether arising by agreements to keep-well, to take or pay or to maintain financial statement conditions, pledges of assets or otherwise).

"*Guarantors*" means, collectively, ABC B.V., Christina Beheer- en Adviesmaatschappij B.V., Torenspits II B.V., Serpering Investments B.V., Plinius Investments II B.V., Ziggo Holding B.V., Ziggo B.V., Ziggo Netwerk B.V. and any Subsidiary of the Company that executes a Note Guarantee in accordance with the provisions of the Indenture, and their respective successors and assigns, in each case, until the Note Guarantee of such Person has been released in accordance with the provisions of the Indenture.

"*Hedging Obligations*" means, with respect to any specified Person, the obligations of such Person under:

(1) interest rate swap agreements, (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;

(2) other agreements or arrangements designed to manage interest rates or interest rate risk; and

(3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates, including Currency Exchange Protection Agreements, or commodity prices.

"*IFRS*" means International Financial Reporting Standards as endorsed by the European Union and in effect on the date of any calculation or determination required hereunder.

"*Indebtedness*" means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables):

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments for which such Person is responsible or liable;

(3) representing reimbursement obligations in respect of letters of credit, bankers' acceptances or similar instruments (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 20 days of incurrence);

(4) representing Capital Lease Obligations;

(5) representing the balance deferred and unpaid of the purchase price of any property or services due more than six months after such property is acquired or such services are completed; and

(6) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of the specified Person prepared in accordance with IFRS. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person.

The term "Indebtedness" shall not include:

(1) Subordinated Shareholder Debt;

(2) any lease of property which would be considered an operating lease under IFRS;

(3) Contingent Obligations in the ordinary course of business;

(4) in connection with the purchase by the Company or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided, however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter; or

(5) the avoidance of doubt, any contingent obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes.

"*Initial Public Offering*" means the first Public Equity Offering of common stock or common equity interests of the Company or any Parent Entity (the "*IPO Entity*") following which there is a Public Market.

"*Investment Grade Status*" shall occur when the Notes are rated Baa3 or better by Moody's and BBB− or better by S&P (or, if either such entity ceases to rate the Notes, the equivalent investment grade credit rating from any other Rating Agency).

"*Investments*" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees or other obligations, but excluding advances or extensions of credit to customers or suppliers made in the ordinary course of business), advances or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as Investments on a balance sheet (excluding the footnotes) prepared in accordance with IFRS. If the Company or any Restricted Subsidiary sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary, the Company will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Company's Investments in such Restricted Subsidiary that were not sold or disposed of in an amount determined as provided in the final paragraph of the covenant described above under the caption "—Certain Covenants—Restricted Payments". The acquisition by the Company or any Restricted Subsidiary of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in the final paragraph of the covenant described above under the caption "—Certain Covenants—Restricted Payments". Except as otherwise provided in the Indenture, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value and, to the extent applicable, shall be determined based on the equity value of such Investment.

"*Issue Date*" means May 7, 2010.

"*Lien*" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement or any lease in the nature thereof.

"*Management Advances*" means loans or advances made to, or Guarantees with respect to loans or advances made to, directors, officers, employees or consultants of the Company or any Restricted Subsidiary:

(1) in respect of travel, entertainment or moving related expenses incurred in the ordinary course of business;

(2) in respect of moving related expenses incurred in connection with any closing or consolidation of any facility or office; or

(3) (in the case of this clause (3)) not exceeding €10 million in the aggregate outstanding at any time.

"*Management Fees*" means:

(a) customary annual fees for the performance of monitoring services by Cinven or Warburg Pincus or any of their respective Affiliates for the Company or any Restricted Subsidiary; *provided* that such fees will not, in the aggregate, exceed €5.0 million per annum (inclusive of out of pocket expenses); and

(b) customary fees and related expenses for the performance of transaction, management, consulting, financial or other advisory services or underwriting, placement or other investment banking activities, including in connection with mergers, acquisitions, dispositions or joint ventures, by Cinven or Warburg Pincus or any of their respective Affiliates for the Company or any of its Restricted Subsidiaries, which payments in respect of this clause (b) have been approved by a majority of the disinterested members of the Board of Directors of the Company.

"*Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend *multiplied by* (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

"*Moody's*" means Moody's Investors Service, Inc.

"*Net Proceeds*" means the aggregate cash proceeds received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any Designated Non-cash Consideration or other consideration received in non-cash form or Cash Equivalents substantially concurrently received in any Asset Sale), net of the direct costs relating to such Asset Sale and the sale of such Designated Non-cash Consideration or other consideration received in non-cash form, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, and all distributions and other payments required to be made to minority interest holders (other than the Company or any Subsidiary) in Subsidiaries or joint ventures as a result of such Asset Sale, and any reserve for adjustment or indemnification obligations in respect of the sale price of such asset or assets established in accordance with IFRS.

"*Non-Recourse Debt*" means Indebtedness as to which neither the Company nor any of its Restricted Subsidiaries (1) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness) or (2) is directly or indirectly liable as a guarantor or otherwise.

"*Note Guarantee*" means the Guarantee by each Guarantor of the Company's obligations under the Indenture and the Notes, executed pursuant to the provisions of the Indenture.

"*Obligations*" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"*Officer*" means, with respect to any Person, the Chief Executive Officer and the Chief Financial Officer of the Company or a responsible accounting or financial officer of the Company.

"*Officer's Certificate*" means a certificate signed by an Officer.

"*Parallel Priority Agreement*" means the parallel priority agreement dated on or about the Issue Date made between, among others, the Issuer, the Guarantors, the Trustee and ING Bank N.V. as senior agent and security agent under the Senior Credit Agreement, as amended, restated or otherwise modified or varied from time to time.

"*Parent Entity*" means any direct or indirect parent company or entity of the Company.

"*Permitted Business*" means (i) the cable television business, including the distribution, sale and/or provision of analog cable television, digital cable television, broadband Internet services, fixed-line and wireless telephony services and other services in relation thereto, (ii) the service and maintenance of the Company's cable network and related activities, (iii) any business, services or activities engaged in by the Company on the Issue Date, and (iv) any businesses, services and activities that are related, complementary, incidental, ancillary or similar to any of the foregoing, or are extensions or developments of any thereof.

"*Permitted Collateral Liens*" means Liens on the Collateral to secure (i) the Notes (including any Additional Notes), (ii) Indebtedness of the Company that is permitted to be Incurred under (a) the first paragraph of the covenant described under "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock" or (b) clause (8) of the second paragraph of the covenant described under "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock", to the extent such Indebtedness is incurred under Hedging Obligations related to interest rates and currency exchange rates in respect of Indebtedness incurred under the first paragraph of the covenant described under "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock", and (iii) any refinancing debt in respect of Indebtedness referred to in (i) and (ii); *provided*, that, in each case, such Lien ranks (x) equal to all other Liens on such Collateral securing Senior Debt of the Company, if such Indebtedness is Senior Debt of the Company, or (y) junior to the Liens securing the Notes; *provided* that any Permitted Collateral Liens on the Proceeds Loan to secure any Additional Notes may only be implemented if and to the extent that, upon completion of the offering of such Additional Notes:

(1) the Company will have loaned cash in the amount of the net proceeds of such Additional Notes to ABC B.V. pursuant to an Additional Proceeds Loan; and

(2) such Additional Proceeds Loan will have been pledged in favor of the holders of the Notes on substantially the same terms (including with respect to priority) as the Proceeds Loan Assignment; *provided*, *further*, *however* no Permitted Collateral Liens may be imposed on the Proceeds Loan or any Additional Proceeds Loan other than to secure the Notes and Additional Notes.

"*Permitted Holders*" means the Equity Investors and Related Parties. Any person or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"*Permitted Investments*" means:

(1) any Investment in the Company or in a Restricted Subsidiary (other than a Receivable Entity);

(2) any Investment in cash and Cash Equivalents;

(3) any Investment by the Company or any Restricted Subsidiary in a Person, if as a result of such Investment:

  (a) such Person becomes a Restricted Subsidiary; or

  (b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Restricted Subsidiary (other than a Receivable Entity);

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant described above under the caption "—Repurchase at the Option of Holders—Asset Sales";

(5) any Investments received in compromise or resolution of (a) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Company or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (b) litigation, arbitration or other disputes;

(6) Investments in receivables owing to the Company or any Restricted Subsidiary created or acquired in the ordinary course of business;

(7) Investments represented by Hedging Obligations, which obligations are permitted by clause (8) of the second paragraph of the covenant entitled "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock";

(8) Investments in the Notes and any other Indebtedness of the Company or any Restricted Subsidiary;

(9) any Guarantee of Indebtedness permitted to be incurred by the covenant described above under the caption "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock";

(10) any Investment existing on, or made pursuant to binding commitments existing on, the Issue Date and any Investment consisting of an extension, modification or renewal of any Investment existing on, or made pursuant to a binding commitment existing on, the Issue Date; *provided* that the amount of any such Investment may be increased (a) as required by the terms of such Investment as in existence on the Issue Date or (b) as otherwise permitted under the Indenture;

(11) Investments acquired after the Issue Date as a result of the acquisition by the Company or any Restricted Subsidiary of another Person, including by way of a merger, amalgamation or consolidation with or into the Company or any of its Restricted Subsidiaries in a transaction that is not prohibited by the covenant described above under the caption "—Merger, Consolidation or Sale of Assets" after the Issue Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation; and

(12) Investments by the Company or a Restricted Subsidiary in a Receivables Entity or any Investment by a Receivables Entity in any other Person, in each case, in connection with a Qualified Receivables Transaction, *provided, however,* that any Investment in any such Person is in the form of a Purchase Money Note, or any equity interest or interests in Receivables and related assets generated by the Company or a Restricted Subsidiary and transferred to any Person in connection with a Qualified Receivables Transaction or any such Person owning such Receivables;

(13) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under the covenant described under "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock;

(14) any Investment to the extent made using as consideration Capital Stock of the Company (other than Disqualified Stock), Subordinated Shareholder Debt or Capital Stock of any Parent Entity;

(15) Management Advances;

(16) other Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (16) that are at the time outstanding not to exceed €75.0 million; *provided* that if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described above under the caption "—Certain Covenants—Restricted Payments", such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (3) of the definition of "Permitted Investments" and not this clause.

"*Permitted Liens*" means:

(1) Liens securing Indebtedness under (a) Credit Facilities incurred in accordance with the covenant described under "—Certain covenants—Incurrence of Indebtedness and Issuance of Preferred Stock", and (b) Liens securing Indebtedness permitted to be incurred pursuant to clause (1) and (17) of the second paragraph of the covenant described under "—Certain covenants—Incurrence of Indebtedness and Issuance of Preferred Stock", in each case, to the extent the Indebtedness so secured is Senior Debt of any Guarantor and any related guarantees of such Senior Debt;

(2) Liens in favor of the Company or any of the Restricted Subsidiaries;

(3) Liens on property (including Capital Stock) of a Person existing at the time such Person becomes a Restricted Subsidiary or is merged with or into or consolidated with the Company or any Restricted Subsidiary; *provided* that such Liens were in existence prior to the contemplation of such Person becoming a Restricted Subsidiary or such merger or consolidation, were not incurred in contemplation thereof and do not extend to any assets other than those of the Person that becomes a Restricted Subsidiary or is merged with or into or consolidated with the Company or any Restricted Subsidiary;

(4) Liens to secure the performance of statutory obligations, trade contracts, insurance, surety or appeal bonds, workers compensation obligations, leases, performance bonds or other obligations of a like nature incurred in the ordinary course of business (including Liens to secure letters of credit issued to assure payment of such obligations);

(5) Liens to secure Indebtedness permitted by clause (4) of the second paragraph of the covenant entitled "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock" covering only the assets acquired with or financed by such Indebtedness;

(6) Liens existing on the Issue Date;

(7) Liens for taxes, assessments or governmental charges or claims that (x) are not yet due and payable or (y) are being contested in good faith by appropriate proceedings and for which a reserve or other appropriate provision, if any, as will be required in conformity with IFRS will have been made;

(8) Liens imposed by law, such as carriers', warehousemen's, landlord's and mechanics' Liens, in each case, incurred in the ordinary course of business;

(9) survey exceptions, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(10) Liens created for the benefit of (or to secure) the Notes (or the Note Guarantees);

(11) Liens securing Indebtedness under Hedging Obligations, which obligations are permitted by clause (8) of the second paragraph of the covenant described above under the caption "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock";

(12) Liens to secure any Permitted Refinancing Indebtedness permitted to be incurred under the Indenture; *provided*, *however*, that:

   (a) the new Lien is limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to, such property or proceeds or distributions thereof); and

   (b) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (x) the outstanding principal amount, or, if greater, committed amount, of the Indebtedness renewed, refunded, refinanced, replaced, defeased or discharged with such Permitted Refinancing Indebtedness and (y) an amount necessary to pay any fees and expenses, including premiums, related to such renewal, refunding, refinancing, replacement, defeasance or discharge;

(13) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;

(14) filing of Uniform Commercial Code financing statements under U.S. state law (or similar filings under applicable jurisdiction) in connection with operating leases in the ordinary course of business;

(15) bankers' Liens, rights of setoff or similar rights and remedies as to deposit accounts, Liens arising out of judgments or awards not constituting an Event of Default and notices of lis pendens and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

(16) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;

(17) Liens on specific items of inventory or other goods (and the proceeds thereof) of any Person securing such Person's obligations in respect of bankers' acceptances issued or created in the ordinary course of business for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(18) leases, licenses, subleases and sublicenses of assets in the ordinary course of business;

(19) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of assets entered into in the ordinary course of business;

(20) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which the Company or any Restricted Subsidiary has easement rights or on any real property leased by the Company or any Restricted Subsidiary and subordination or similar agreements relating thereto and (b) any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;

(21) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(22) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities;

(23) Liens (including put and call arrangements) on Capital Stock or other securities of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary;

(24) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries securing obligations of such joint ventures;

(25) Liens on any proceeds loan made by the Company or any Restricted Subsidiary in connection with any future incurrence of Indebtedness permitted under the Indenture and securing that Indebtedness; and

(26) Liens on Receivables and related assets of the type described in the definition of "Qualified Receivables Transaction" incurred in connection with a Qualified Receivables Transaction;

(27) Liens on property at the time the Company or a Restricted Subsidiary acquired the property, including any acquisition by means of a merger or consolidation with or into the Company or any Restricted subsidiary; *provided* that such Liens are not created, incurred or assumed in connection with, or in contemplation of, such acquisition and do not extend to any other property owned by the Company or any Restricted Subsidiary;

(28) Liens incurred in the ordinary course of business of the Company and its Restricted Subsidiaries with respect to obligations (other than Indebtedness) that do not exceed €25.0 million at any one time outstanding; and

(29) Permitted Collateral Liens.

"*Permitted Parent Payments*" means, the declaration and payment of dividends or other distributions, or the making of loans, by the Company or any of its Restricted Subsidiaries to any Parent Entity in amounts and at times required to pay:

(1) franchise fees and other fees, taxes and expenses required to maintain the corporate existence of any parent entity of the Company;

(2) general corporate overhead expenses of any parent entity to the extent such expenses are attributable to the ownership or operation of the Company and its Restricted Subsidiaries or related to the proper administration of such parent entity (including fees and expenses properly incurred in the ordinary course of business to auditors and legal advisors and payments in respect of services provided by directors, officers or employees of any such parent entity) not to exceed €5.0 million in any 12 month period;

(3) any income taxes, to the extent such income taxes are attributable to the income of the Company and any of its Restricted Subsidiaries, taking into account any net operating loss carryovers and other tax attributes, and, to the extent of the amount actually received in cash from its Unrestricted Subsidiaries, in amounts required to pay such taxes to the extent attributable to the income of such Unrestricted Subsidiaries; *provided*, such Parent Entity shall promptly pay such taxes or refund such amount to the Company;

(4) costs (including all professional fees and expenses) incurred by any parent entity in connection with reporting obligations under or otherwise incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, the Indenture or any other agreement or instrument relating to Indebtedness of the Company or any of its Restricted Subsidiaries, including in respect of any reports filed with respect to the U.S. Securities Act, U.S. Exchange Act or the respective rules and regulations promulgated thereunder; and

(5) fees and expenses of any parent entity incurred in relation to any public offering or other sale of Capital Stock or Indebtedness (a) where the net proceeds of such offering or sale are intended to be received by or contributed to the Company or any of its Restricted Subsidiaries; (b) in a prorated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed; or (c) otherwise on an interim basis prior to completion of such offering so long as any parent entity will cause the amount of such expenses to be repaid to the Company or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed.

"*Permitted Refinancing Indebtedness*" means any Indebtedness of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, exchange, defease or discharge other Indebtedness of the Company or any of its Restricted Subsidiaries (other than intercompany Indebtedness (other than any proceeds loan)); *provided* that:

(1) the aggregate principal amount (or accreted value, if applicable), or if issued with original issue discount, aggregate issue price) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable, or if issued with original issue discount, aggregate issue price) of the Indebtedness renewed, refunded, refinanced, replaced, exchanged, defeased or discharged (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);

(2) such Permitted Refinancing Indebtedness has (a) a final maturity date that is either (i) no earlier than the final maturity date of the Indebtedness being renewed, refunded, refinanced, replaced, exchanged, defeased or discharged or (ii) after the final maturity date of the Notes and (b) has a Weighted Average Life to Maturity that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged;

(3) if the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is expressly, contractually, subordinated in right of payment to the Notes or the Note Guarantees, as the case may be, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Notes or the Note Guarantees, as the case may be, on terms at least as favorable to the holders of Notes or the Note Guarantees, as the case may be, as those contained in the documentation governing the Indebtedness being renewed, refunded, refinanced, replaced, exchanged, defeased or discharged; and

(4) if the Company or any Guarantor was the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged, such Indebtedness is incurred either by the Company, a Finance Subsidiary or by a Guarantor.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"*Pre-Expansion European Union*" means the European Union as of January 1, 2004, including the countries of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom, but not including any country which became or becomes a member of the European Union after January 1, 2004.

"*Public Equity Offering*" means, with respect to any Person, a bona fide underwritten primary public offering of the shares of common stock or common equity interests of such Person, either:

(1) pursuant to a flotation on the main market of the London Stock Exchange or any other nationally recognized regulated stock exchange or listing authority in a member state of the Pre-Expansion European Union; or

(2) pursuant to an effective registration statement under the U.S. Securities Act (other than a registration statement on Form S-8 or otherwise relating to Equity Interests issued or issuable under any employee benefit plan).

"*Public Market*" means any time after:

(1) a Public Equity Offering of the IPO Entity has been consummated; and

(2) at least 20% of the total issued and outstanding shares of common stock or common equity interests of the IPO Entity has been distributed to investors other than the Permitted Holders or their Related Parties or any other direct or indirect shareholders of the Company as of the Issue Date.

"*Purchase Money Note*" means a promissory note of a Receivables Entity evidencing the deferred purchase price of Receivables (and related assets) and/or a line of credit, which may be irrevocable, from the Company or any Restricted Subsidiary in connection with a Qualified Receivables Transaction with a Receivables Entity, which deferred purchase price or line is repayable from cash available to the Receivables Entity, other than amounts required to be established as reserves pursuant to agreements, amounts paid to investors in respect of interest, principal and other amounts owing to such investors and amounts owing to such Investors and amounts paid in connection with the purchase of newly generated Receivables.

"*Qualified Receivables Transaction*" means any transaction or series of transactions that may be entered into by the Company or any of its Restricted Subsidiaries pursuant to which the Company or any of its Restricted Subsidiaries may sell, convey or otherwise transfer to (1) a Receivables Entity (in the case of a transfer by the Company or any of its Restricted Subsidiaries) and (2) any other Person (in the case of a transfer by a Receivables Entity), or may grant a security interest in, any Receivables (whether now existing or arising in the future) of the Company or any of its Restricted Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such Receivables, all contracts and all guarantees or other obligations in respect of such accounts receivable, the proceeds of such Receivables and other assets which are customarily transferred, or in respect of which security interests are customarily granted, in connection with asset securitization involving Receivables.

"*Rating Agencies*" means Moody's and S&P or, in the event Moody's or S&P no longer assigns a rating to the Notes, any other "nationally recognized statistical rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the U.S. Exchange Act selected by the Company as a replacement agency.

"*Receivable*" means a right to receive payment arising from a sale or lease of goods or the performance of services by a Person pursuant to an arrangement with another Person pursuant to which such other Person is obligated to pay for goods and services under terms that permit the purchase of such goods and services on credit and shall include, in any event, any items of property that would be classified as an "account", "chattel paper", "payment intangible", or "instrument" under the Uniform Commercial Code as in effect in the State of New York and any "supporting obligations" as so defined.

"*Receivables Entity*" means a Wholly Owned Subsidiary (or another Person formed for the purpose of engaging in a Qualified Receivables Transaction in which the Company or any Subsidiary of the Company makes an Investment and to which the Company or any Subsidiary of the Company transfers Receivables and related assets) in which the Company or any Restricted Subsidiary makes an Investment and to which the Company or any Restricted Subsidiary transfers Receivables and related assets) which engages in no activities other than in connection with the financing of Receivables and which is designated by the Board of Directors of the Company (as provided below) as a Receivables Entity:

(1) no portion of the Indebtedness or any other obligations (contingent or otherwise) or which:

(a) is guaranteed by the Company or any Restricted Subsidiary (excluding guarantees of Obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings);

(b) is recourse to or obligates the Company or any Restricted Subsidiary of the Company in any way other than pursuant to Standard Securitization Undertakings; or

(c) subjects any property or asset of the Company or any Restricted Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(2) with which neither the Company nor any Restricted Subsidiary has any material contract, agreement, arrangement or understanding (except in connection with a Purchase Money Note or Qualified Receivables Transaction) other than on terms no less favorable to the Company of such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company, other than fees payable in the ordinary course of business in connection with servicing Receivables; and

(3) to which neither the Company nor any Restricted Subsidiary has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels or operating results.

Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by promptly filing with the Trustee a certified copy of the resolution of the Board of Directors of the Company giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing conditions.

"*Related Party*" means:

(1) any controlling stockholder, partner or member, or any 50% (or more) owned Subsidiary, or immediate family member (in the case of an individual), of any Equity Investor; or

(2) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or Persons beneficially holding a 50% or more controlling interest of which consist of any one or more Equity Investors and/or such other Persons referred to in the immediately preceding clause.

"*Restricted Investment*" means an Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means any Subsidiary of the Company that is not an Unrestricted Subsidiary.

"*S&P*" means Standard & Poor's Ratings Group.

"*Security Documents*" means the Share Pledge, the Proceeds Loan Assignment and other instruments and documents executed and delivered pursuant to the Indenture or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time and pursuant to which the Collateral is pledged, assigned or granted to or on behalf of the Security Trustee for the ratable benefit of the holders of the Notes and the Trustee or notice of such pledge, assignment or grant is given.

"*Senior Credit Agreement*" means the €3,350 million senior credit agreement between, among others, ABC B.V., as the parent and guarantor, certain of the Company's Subsidiaries, as borrowers and guarantors, ABN AMRO Bank N.V., Credit Suisse, Goldman Sachs International, ING Bank N.V and Morgan Stanley Bank International Limited, as mandated lead arrangers, and ING Bank N.V. as facility agent and security agent, dated September 12, 2006 and as amended and restated November 17, 2006, as amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreement or any successor or replacement agreement or agreements or increasing the amount loaned thereunder (subject to compliance with the covenant described under "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock") or altering the maturity thereof.

"*Senior Debt*" means:

(1) all Indebtedness of the Company or any Guarantor outstanding under Senior Credit Agreement, all Hedging Obligations and all Obligations with respect to any of the foregoing; and

(2) any other Indebtedness of the Company or any Guarantor permitted to be incurred under the terms of the Indenture, unless the instrument under which such Indebtedness is incurred expressly provides, in the case of the Company, that it is subordinated in right of payment to the Notes, or in the case of any Guarantor, that it is on a parity with or subordinated in right of payment to the Note Guarantee of such Guarantor and all Obligations with respect to any of the foregoing.

Notwithstanding anything to the contrary in the preceding, Senior Debt will not include:

(1) any liability for national, state, local or other taxes owed or owing by the Company or any of its Subsidiaries;

(2) any intercompany Indebtedness of the Company or any of its Subsidiaries to the Company or any of its Affiliates;

(3) any trade payables; or

(4) the portion of any Indebtedness that is incurred in violation of the Indenture; provided that Indebtedness under a Credit Facility will not cease to be "Senior Debt" by virtue of this clause (4) if it was advanced on the basis of an Officers' Certificate to the effect that it was permitted to be incurred under the Indenture.

"*Significant Subsidiary*" means, at the date of determination, any Restricted Subsidiary that together with its Subsidiaries which are Restricted Subsidiaries (i) for the most recent fiscal year, accounted for more than 10% of the consolidated revenues of the Company or (ii) as of the end of the most recent fiscal year, was the owner of more than 10% of the consolidated assets of the Company.

"*Specified Change of Control Event*" means the occurrence of any event that would constitute a Change of Control pursuant to clauses (1), (3) or (4) of the definition thereof; *provided* that immediately prior to the occurrence of such event and immediately thereafter and giving *pro forma* effect thereto, the Consolidated Leverage Ratio of the Company would have been less than:

(x) 5.0 to 1.0, if the date of such occurrence is prior to the one-year anniversary of the Issue Date; or

(y) 4.5 to 1.0, if the date of such occurrence is on or after the one-year anniversary of the Issue Date.

Notwithstanding the foregoing, only one Specified Change of Control Event shall be permitted under the Indenture after the Issue Date.

"*Standard Securitization Undertakings*" means representations, warranties, covenants and indemnities entered into by the Company or any Restricted Subsidiary of the Company which are reasonably customary in securitization of Receivables transactions.

"*Stated Maturity*" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the Issue Date, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"*Subordinated Shareholder Debt*" means, collectively, any debt provided to the Company by any direct or indirect parent of the Company or any Permitted Holder or Related Party, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Debt; *provided* that such Subordinated Shareholder Debt:

(1) does not (including upon the happening of any event) mature or require any amortization or other payment of principal prior to the first anniversary of the maturity of the Notes (other than through conversion or exchange of any such security or instrument for Equity Interests of the Company (other than Disqualified Stock) or for any other security or instrument meeting the requirements of the definition);

(2) does not (including upon the happening of any event) require the payment of cash interest prior to the first anniversary of the maturity of the Notes;

(3) does not (including upon the happening of any event) provide for the acceleration of its maturity nor confers on its shareholders any right (including upon the happening of any event) to declare a default or event of default or take any enforcement action, in each case, prior to the first anniversary of the maturity of the Notes;

(4) is not secured by a lien on any assets of the Company or a Restricted Subsidiary and is not guaranteed by any Subsidiary of the Company;

(5) is subordinated in right of payment to the prior payment in full in cash of the Notes in the event of any default, bankruptcy, reorganization, liquidation, winding up or other disposition of assets of the Company at least to the same extent as the Notes are subordinated to Senior Debt under the Indenture and the Parallel Priority Agreement;

(6) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Notes or compliance by the Company with its obligations under the Notes and the Indenture;

(7) does not (including upon the happening of an event) constitute Voting Stock; and

(8) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder, in whole or in part, prior to the date on which the Notes mature other than into or for Capital Stock (other than Disqualified Stock) of the Company;

provided, however, that any event or circumstance that results in such Indebtedness ceasing to qualify as Subordinated Shareholder Debt, such Indebtedness shall constitute an incurrence of such Indebtedness by the Company, and any and all Restricted Payments made through the use of the net proceeds from the incurrence of such Indebtedness since the date of the original issuance of such Subordinated Shareholder Debt shall constitute new Restricted Payments that are deemed to have been made after the date of the original issuance of such Subordinated Shareholder Debt.

"*Subsidiary*" means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership or limited liability company of which (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"*Tax*" means any tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and any other additions thereto, and, for the avoidance of doubt, including any withholding or deduction for or on account of Tax).

"*Taxes*" and "*Taxation*" shall be construed to have corresponding meanings.

"*Total Assets*" means the consolidated total assets of the Company and its Restricted Subsidiaries, as shown on the most recent balance sheet (excluding the footnotes thereto) of the Company.

"*Unrestricted Subsidiary*" means any Subsidiary of the Company (other than the Company or any successor to the Company) that is designated by the Board of Directors of the Company as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors but only to the extent that such Subsidiary:

(1) has no Indebtedness other than Non-Recourse Debt;

(2) except as permitted by the covenant described above under the caption "—Certain Covenants—Transactions with Affiliates", is not party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company; and

(3) is a Person with respect to which neither the Company nor any Restricted Subsidiary has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results.

"*Voting Stock*" of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"*Warburg Pincus*" means Warburg Pincus LLC.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amounts of such Indebtedness.

"*Wholly Owned Subsidiary*" means a Restricted Subsidiary of the Company, all of the Capital Stock of which (other than director's qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Company or another Wholly Owned Subsidiary) is owned by the Company or another Wholly Owned Subsidiary.

BOOK-ENTRY, DELIVERY AND FORM

General

Notes sold to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act will initially be represented by a global note in registered form without interest coupons attached (the "Rule 144A Global Note"). Notes sold to non-U.S. persons outside the United States in reliance on Regulation S under the U.S. Securities Act will initially be represented by a global note in registered form without interest coupons attached (the "Regulation S Global Note" and, together with the Rule 144A Global Note, the "Global Notes"). The Global Notes will be deposited, on the closing date, with a common depositary and registered in the name of the nominee of the common depositary for the account of Euroclear and Clearstream.

Ownership of interests in the Rule 144A Global Note ("Rule 144A Book-Entry Interests") and ownership of interests in the Regulation S Global Note (the "Regulation S Book-Entry Interests" and, together with the Rule 144A Book-Entry Interests, the "Book-Entry Interests") will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that hold interests through such participants. Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories. Except under the limited circumstances described below, Book-Entry Interests will not be issued in definitive form.

Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream and their participants. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests will not be considered the owners or "holders" of Notes for any purpose.

So long as the Notes are held in global form, Euroclear and/or Clearstream (or their respective nominees), as applicable, will be considered the sole holders of the Global Notes for all purposes under the Indenture. In addition, participants must rely on the procedures of Euroclear and Clearstream, and indirect participants must rely on the procedures of Euroclear and Clearstream and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders of Notes under the Indenture.

Neither we nor the Trustee will have any responsibility, or be liable, for any aspect of the records relating to the Book-Entry Interests.

Definitive Registered Notes

Under the terms of the Indenture, owners of the Book-Entry Interests will receive Definitive Registered Notes:

(1) if Euroclear or Clearstream notifies us that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by the Issuer within 120 days; or

(2) if the owner of a Book-Entry Interest requests such exchange in writing delivered through Euroclear or Clearstream following an Event of Default under the Indenture and enforcement action is being taken in respect thereof under the Indenture.

Euroclear and Clearstream have advised us that upon request by an owner of a Book-Entry Interest described in the immediately preceding clause (2), their current procedure is to request that we issue or cause to be issued Notes in definitive registered form to all owners of Book-Entry Interests.

In such an event, the Registrar will issue Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear, Clearstream or us, as applicable (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend as provided in the Indenture, unless that legend is not required by the Indenture or applicable law.

To the extent permitted by law, we, the Trustee, the Paying Agent and the Registrar shall be entitled to treat the registered holder of any Global Note as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of the Global Notes will be evidenced through registration from time to time at the registered office of the Issuer, and such registration is a means of evidencing title to the Notes.

We will not impose any fees or other charges in respect of the Notes; however, owners of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and Clearstream.

Redemption of the Global Notes

In the event that any Global Note (or any portion thereof) is redeemed, Euroclear and/or Clearstream, as applicable, will redeem an equal amount of the Book-Entry Interests in such Global Note from the amount received by them in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear and Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). We understand that, under the existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their participants' accounts on a proportionate basis (with adjustments to prevent fractions), by lot or on such other basis as they deem fair and appropriate, provided, however, that no Book-Entry Interest of less than €50,000 principal amount may be redeemed in part.

Payments on Global Notes

We will make payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, interest and additional amounts, if any) to the common depositary or its nominee for Euroclear and Clearstream. The common depositary will distribute such payments to participants in accordance with their customary procedures. We will make payments of all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and as described under "Description of the Notes—Additional Amounts". If any such deduction or withholding is required to be made, then, to the extent described under "Description of the Notes—Additional Amounts" above, we will pay additional amounts as may be necessary in order for the net amounts received by any holder of the Global Notes or owner of Book-Entry Interests after such deduction or withholding will equal the net amounts that such holder or owner would have otherwise received in respect of such Global Note or Book-Entry Interest, as the case may be, absent such withholding or deduction. We expect that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of the Indenture, we and the Trustee will treat the registered holders of the Global Notes (*e.g.*, Euroclear or Clearstream (or their respective nominee)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of us, the trustee or any of its agents has or will have any responsibility or liability for:

- aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest or for maintaining, supervising or reviewing the records of Euroclear or Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest;

- Euroclear, Clearstream or any participant or indirect participant; or

- the records of the common depositary.

Currency of Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes will be paid to holders of interests to such Notes through Euroclear or Clearstream in euro.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described above) only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an Event of Default under the Notes, Euroclear and Clearstream, at the request of the holders of the Notes, reserve the right to exchange the Global Notes for definitive registered Notes in certificated form (the "Definitive Registered Notes"), and to distribute such Definitive Registered Notes to their participants.

Transfers

Transfers between participants in Euroclear or Clearstream will be effected in accordance with Euroclear and Clearstream's rules and will be settled in immediately available funds. If a holder of Notes requires physical delivery of Definitive Registered Notes for any reason, including to sell Notes to persons in states which require physical delivery of such securities or to pledge such securities, such holder of Notes must transfer its interests in the Global Notes in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the procedures set forth in the Indenture governing the Notes.

The Global Notes will bear a legend to the effect set forth under "Notice to Investors". Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under "Notice to Investors".

Transfers of Rule 144A Book-Entry Interests to persons wishing to take delivery of Rule 144A Book-Entry Interests will at all times be subject to such transfer restrictions.

Rule 144A Book-Entry Interests may be transferred to a person who takes delivery in the form of a Regulation S Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the U.S. Securities Act or any other exemption (if available under the U.S. Securities Act).

Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of a Rule 144A Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "Notice to Investors" and in accordance with any applicable securities laws of any other jurisdiction.

In connection with transfers involving an exchange of a Regulation S Book-Entry Interest for a Rule 144A Book-Entry Interest, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in a Global Note only as described under "Description of the Notes—Transfer and Exchange" and, if required, only if the transferor first delivers to the trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See "Notice to Investors".

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in any other Global Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in such other Global Note, and accordingly will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

Information Concerning Euroclear and Clearstream

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of the settlement system are controlled by the settlement system and may be changed at any time. Neither we nor the initial purchasers are responsible for those operations or procedures.

We understand as follows with respect to Euroclear and Clearstream: Euroclear and Clearstream hold securities for participating organizations. They facilitate the clearance and settlement of securities transactions between their participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear and Clearstream participant, either directly or indirectly.

Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledges such interest to persons or entities that do not participate in the Euroclear and/or Clearstream system, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the Euroclear or Clearstream systems will receive distributions attributable to the 144A Global Notes only through Euroclear or Clearstream participants.

Global Clearance and Settlement Under the Book-Entry System

The Notes represented by the Global Notes are expected to be listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market. Transfers of interests in the Global Notes between participants in Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective system's rules and operating procedures.

Although Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in Euroclear or Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of us, any guarantor, the trustee or the paying agent will have any responsibility for the performance by Euroclear, Clearstream or their participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Initial Settlement

Initial settlement for the Notes will be made in euro. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional bonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the business day following the settlement date against payment for value of the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of Euroclear and Clearstream and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

CERTAIN TAX CONSIDERATIONS

Netherlands Tax Considerations

General

The information set out below is a general summary of certain Dutch tax consequences in connection with the acquisition, holding or disposal of the Notes. The summary does not purport to be a comprehensive description of all the Dutch tax considerations that may be relevant for a particular holder of Notes, who may be subject to special tax treatment under any applicable law and this summary is not intended to be applicable in respect of all categories of holders of Notes. The summary is based upon the tax laws of the Netherlands as in effect on the date of this offer memorandum, including official regulations, rulings and decisions of the Netherlands and its taxing and other authorities available in printed form on or before such date and now in effect. These tax laws are subject to change, which could apply retroactively and could affect the continuing validity of this summary. As this is a general summary, we recommend prospective holders of Notes to consult their own tax advisors as to the Dutch or other tax consequences of the acquisition, ownership and transfer of Notes, including, in particular, the application of their particular situations of the tax considerations discussed below.

The following summary does not address the tax consequences arising in any jurisdiction other than the Netherlands in connection with the acquisition, ownership and transfer of Notes.

Withholding Tax

All payments of interest and principal under the Notes may be made free of withholding or deduction of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Taxes on Income and Capital Gains

General

The description of taxation set out in this section is not intended for any holder of Notes, who:

- is an individual and for whom the income or capital gains derived from the Notes are attributable to employment activities the income from which is taxable in the Netherlands;
- holds a Substantial Interest, or a deemed Substantial Interest in us (as defined below);
- is an entity that is a resident or deemed to be a resident of the Netherlands and that is not subject to or is exempt, in whole or in part, from Dutch corporate income tax; or
- is a fiscal investment institution (*fiscale beleggingsinstelling*) or an exempt investment institution (*vrijgestelde fiscale beleggingsinstelling*) as defined in the Dutch Corporate Income Tax Act 1969.

Generally a holder of Notes will have a substantial interest in the Company (a "Substantial Interest") if he holds, alone or together with his partner (statutorily defined term), whether directly or indirectly, the ownership of, or certain other rights over, shares representing 5% or more of the total issued and outstanding capital of the Company (or the issued and outstanding capital of any class of shares), or rights to acquire shares, whether or not already issued, that represent at any time 5% or more of the total issued and outstanding capital of the Company (or the issued and outstanding capital of any class of shares) or the ownership of certain profit participating certificates that relate to 5% or more of the annual profit and/or to 5% or more of our liquidation proceeds. A holder of Notes will also have a Substantial Interest in us if one of certain relatives of that holder or of his partner has a Substantial Interest in us. If a holder of Notes does not have a Substantial Interest, a deemed Substantial Interest will be present if (part of) a Substantial Interest has been disposed of, or is deemed to have been disposed of, without recognizing taxable gain.

Residents of the Netherlands

Individuals

An individual who is resident or deemed to be resident in the Netherlands, or who opts to be taxed as a resident of the Netherlands for purposes of Dutch taxation (a "Dutch Resident Individual") and who holds Notes is subject to Dutch income tax on income and/or capital gains derived from the Notes at the progressive rate (up to 52% in 2010) if:

- the holder derives profits from an enterprise or deemed enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder), to which enterprise the Notes are attributable; or

- the holder derives income or capital gains from the Notes that are taxable as benefits from "miscellaneous activities" (*resultaat uit overige werkzaamheden*, as defined in the Dutch Income Tax Act 2001), which include the performance of activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If conditions (i) and (ii) mentioned above do not apply, any Noteholder who is a Dutch Resident Individual will be subject to Dutch income tax on a deemed return regardless of the actual income and gains derived from the Notes. This deemed return has been fixed at a rate of 4% (rate for 2010) of the average of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year and the individual's yield basis at the end of the calendar year, insofar as this exceeds a certain threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the Dutch Resident Individual less the fair market value of certain qualifying liabilities, on January 1 and December 31 of the relevant year, divided by two. The deemed return of 4% will be taxed at a rate of 30% (rate for 2010).

Entities

An entity that is resident or deemed to be resident in the Netherlands (a "Dutch Resident Entity") will generally be subject to Dutch corporate income tax with respect to income and capital gains derived from the Notes. The Dutch corporate income tax rate for 2010 is 20% for the first € 200,000 of taxable income and 25.5% for taxable income exceeding € 200,000. As of January 1, 2011 the Dutch corporate income tax rate is expected to be 20% for the first €40,000 of taxable income, 23% for the taxable income exceeding €40,000 but not exceeding €200,000 and 25.5% for taxable income exceeding €200,000.

Non-Residents of the Netherlands

A holder who is not a Dutch Resident Individual or Dutch Resident Entity (a "Non-Dutch Resident") is generally not subject to Dutch income or corporate income tax on the income and capital gains derived from the Notes, provided that:

- such Non-Dutch Resident does not derive profits from a Dutch Enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder), to which Dutch Enterprise the Notes are attributable or deemed attributable; a Dutch Enterprise is an enterprise, a deemed enterprise or part of such enterprise that is carried on through a permanent establishment or a permanent representative in the Netherlands;

- in the case of a Non-Dutch Resident who is an individual, such individual does not derive income or capital gains from the Notes that are taxable as benefits from "miscellaneous activities" in the Netherlands (*resultaat uit overige werkzaamheden*, as defined the Dutch Income Tax Act 2001)), which include the performance of activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*); and

- such Non-Dutch Resident is neither entitled to a share in the profits of an enterprise nor co-entitled to the net worth of such enterprise effectively managed in the Netherlands, other than by way of the holding of securities or, in the case of an individual, through an employment contract, to which enterprise the Notes or payments in respect of the Notes are attributable.

Gift, Estate or Inheritance Taxes

No Dutch gift, estate or inheritance taxes will be levied on the transfer of Notes by way of gift by or on the death of a holder, who is neither a resident nor deemed to be a resident of the Netherlands for the purpose of the relevant provisions, unless:

- the transfer is construed as an inheritance or bequest or as a gift made by or on behalf of a person who, at the time of the gift or death, is or is deemed to be a resident of the Netherlands for the purpose of the relevant provisions; or

- such holder dies while being a resident or deemed resident of the Netherlands within 180 days after the date of a gift of the Notes.

For purposes of Dutch gift, estate and inheritance tax, an individual who is of Dutch nationality will be deemed to be a resident of the Netherlands if he has been a resident in the Netherlands at any time during the 10 years preceding the date of the gift or his death. For purposes of Dutch gift tax, an individual will, irrespective of his nationality, be deemed to be resident of the Netherlands if he has been a resident in the Netherlands at any time during the 12 months preceding the date of the gift.

Value-Added Tax

There is no Dutch value-added tax payable by a holder of Notes in respect of payments under the Notes or on a disposal of the Notes.

Other Taxes and Duties

There is no Dutch registration tax, capital tax, customs duty, stamp duty or any other similar tax or duty payable in the Netherlands by a holder of Notes in respect of the acquisition, holding or disposal of the Notes.

Residence

A holder of Notes will not become or be deemed to become a resident of the Netherlands solely by reason of the acquisition, holding or disposal of the Notes.

European Union Directive on the Taxation of Savings Interest

The European Union has adopted a directive (Council Directive 2003/48/EC, the "Directive") regarding the taxation of savings income. The Directive provides for Member States of the European Union to provide to the tax authorities of another Member State details of certain payments of interest and other similar income paid by a person to an individual in that other Member State, except that Austria and Luxembourg may instead impose a withholding system for a transitional period unless during such period they elect otherwise. The Directive does not preclude Member States from levying other types of withholding tax. A number of non-European Union countries, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding).

The European Commission has published proposals for amendments to the Directive, which, if implemented, would amend and broaden the scope of the requirements above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any paying agent nor any other person would be obliged to pay additional amounts to the holder of the Notes or to otherwise compensate the holder of Notes for the reduction in the amounts that they will receive as a result of the imposition of such withholding tax. However, the Issuer is required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive (if such a state exists).

U.S. Federal Income Tax Considerations

Internal Revenue Service Circular 230 Disclosure

To ensure compliance with requirements imposed by the Internal Revenue Service, or IRS, we inform you that any U.S. federal tax advice contained in this offering memorandum is not intended or written to be used, and cannot be used, (i) by any taxpayer for the purpose of avoiding tax penalties under the U.S. Internal Revenue Code or (ii) for promoting, marketing or recommending to another party any transaction or matter addressed herein. You should seek advice based on your particular circumstances from an independent tax advisor.

The following discussion is a general summary of the material U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes by U.S. Holders (as defined below). This discussion addresses only U.S. Holders (as defined below) who purchase the Notes in this Offering at their issue price (as defined below), hold the Notes as capital assets, and use the U.S. dollar as their functional currency. The summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), Treasury regulations, rulings, judicial decisions, and administrative pronouncements, all as in effect as of the date hereof, and all of which are subject to change or changes in interpretation, possibly on a retroactive basis.

This summary does not discuss all of the tax consequences that may be relevant to holders in light of their particular circumstances or to holders subject to special tax rules, including U.S. expatriates, insurance companies, tax-exempt institutions or investors, financial institutions, persons subject to the alternative minimum tax, dealers in securities or foreign currencies, traders who have elected "mark-to-market" treatment, investors that actually or constructively own 10% or more of the voting stock or outstanding share capital of the Issuer, persons holding their Notes as part of a short sale, straddle, hedging transaction, conversion transaction or other integrated transaction, or U.S. Holders whose functional currency is not the U.S. dollar. Such holders may be subject to U.S. federal income tax consequences different from those set forth below. This summary also does not address prospective purchasers of Additional Notes, which may be issued at a discount or premium.

For purposes of this discussion, a "U.S. Holder" is a beneficial owner that is, for purposes of U.S. federal income taxation, (i) a citizen or resident alien of the United States, (ii) a corporation or other business entity treated as a corporation created or organized in or under the laws of the United States or its political subdivisions, (iii) a trust (a) that is subject to the control of a U.S. person and the primary supervision of a U.S. court or (b) which has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person, or (iv) an estate, the income of which is subject to U.S. federal income taxation regardless of its source. If a partnership holds Notes, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. If a U.S. Holder is a partner in a partnership that holds Notes, the holder is urged to consult its own tax advisor regarding the specific tax consequences of the purchase, ownership and disposition of the Notes.

The "issue price" of a Note will equal the first price to the public (not including bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at which a substantial amount of the Notes is sold for money.

Holders should consult their own tax advisors regarding the specific U.S. federal, state, local and foreign tax consequences of acquiring, owning and disposing of Notes in light of their particular circumstances, as well as any consequences arising under the laws of any other taxing jurisdiction.

Interest

Payments of interest on a Note will be includible in the gross income of a U.S. Holder as ordinary interest income at the time the interest is received or accrued, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes. Interest generally will be income from sources outside the United States and, for purposes of the U.S. foreign tax credit, generally will be considered passive category income or, in certain cases, general category income.

A U.S. Holder of Notes that uses the cash method of accounting for tax purposes will recognize interest income equal to the U.S. dollar value of the interest payment, based on the spot exchange rate on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

A U.S. Holder of Notes that uses the accrual method of accounting for tax purposes, or who otherwise is required to accrue interest prior to receipt, may determine the amount recognized with respect to such interest in accordance with either of two methods. Under the first method, such holder will recognize income for each taxable year equal to the U.S. dollar value of the euro accrued for such year determined by translating such amount into U.S. dollars at the average spot exchange rate in effect during the interest accrual period (or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the U.S. Holder's taxable year). Alternatively, an accrual basis holder may make an election (which must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS) to translate accrued interest income at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year in the case of a partial accrual period), or at the spot rate on the date of receipt, if that date is within five business days of the last day of the accrual period. A U.S. Holder of Notes that uses the accrual method of accounting for tax purposes will recognize foreign currency gain or loss equal to the difference between the U.S. dollar value of such payment, determined at the spot exchange rate on the date the payment is received, and the U.S. dollar value of the interest income previously included in respect of such payment. This exchange gain or loss will be treated as ordinary income or loss, and generally will not be treated as an adjustment to interest income or expense.

Disposition

A U.S. Holder's tax basis in a Note generally will equal the cost of the Note to the holder. The cost of a Note purchased with foreign currency will be the U.S. dollar value of the foreign currency purchase price on the date of purchase, calculated at the exchange rate in effect on that date. If the Note is traded on an established securities market, a cash basis taxpayer (and if it elects, an accrual basis taxpayer) will determine the U.S. dollar value of the cost of the Note at the spot rate on the settlement date of the purchase.

Upon the sale, exchange or other taxable disposition of a Note, a U.S. Holder generally will recognize gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued and unpaid interest, which will be taxable as ordinary interest income in accordance with the U.S. Holder's method of tax accounting as described above) and the U.S. Holder's adjusted tax basis in the Note. The amount realized on the sale, exchange or other taxable disposition of a Note for an amount of foreign currency will generally be the U.S. dollar value of that amount based on the spot exchange rate on the date payment is received or the Note is disposed of. If the Note is traded on an established securities market, a cash basis taxpayer will determine the U.S. dollar value of the amount realized on the settlement date of the disposition. If an accrual method taxpayer makes either election described above, such election must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS.

Gain or loss recognized by a U.S. Holder upon the sale, exchange or other disposition of a Note that is attributable to changes in currency exchange rates relating to the principal thereof will be ordinary income or loss and will be equal to the difference between the U.S. dollar value of the U.S. Holder's purchase price of the Note in foreign currency determined on the date of the sale, exchange or other disposition, and the U.S. dollar value of the U.S. Holder's purchase price of the Note in foreign currency determined on the date the U.S. Holder acquired the Note. The foregoing exchange gain or loss will be recognized only to the extent of the total gain or loss realized by the U.S. Holder on the sale, exchange or other disposition of the Note, and will be treated as ordinary income generally from sources within the United States for U.S. foreign tax credit limitation purposes.

Any gain or loss recognized by a U.S. Holder in excess of foreign currency gain or loss recognized on the sale, exchange or other disposition of a Note will generally be U.S. source capital gain or loss and will be long-term capital gain or loss if the U.S. Holder has held the Note for more than one year at the time of the sale or other disposition. In the case of an individual U.S. Holder, any such gain will be eligible for preferential U.S. federal income tax rates if that U.S. Holder satisfies certain prescribed minimum holding periods. The deductibility of capital losses is subject to limitations.

Receipt of Euro

A U.S. Holder of Notes may receive euro in payment for interest or principal. The tax basis of any euro received by a U.S. Holder generally will equal the U.S. dollar equivalent of such euro at the spot rate on the date the euro are received. Upon any subsequent exchange of euro for U.S. dollars, a U.S. Holder generally will recognize exchange gain or loss equal to the difference between the amount of U.S. dollars received and the U.S. Holder's tax basis in the euro. Upon any subsequent exchange of euro for property, a U.S. Holder generally will recognize exchange gain or loss equal to the difference between the U.S. dollar value of the euro exchanged for such property based on the U.S. dollar spot rate for euro on the date of the exchange and the U.S. Holder's tax basis in the euro so exchanged. Any such exchange gain or loss generally will be treated as U.S. source ordinary income or loss.

U.S. Information Reporting and Backup Withholding

Payments of interest on and proceeds from the sale, exchange or other disposition of the Notes will generally be subject to information reporting requirements unless the holder qualifies as an exempt recipient. Backup withholding (at a current rate of 28%) may apply to a holder who fails to furnish a correct taxpayer identification number or any other required certification, or who fails to report in full interest income from the Notes or dividend or interest income from stock or other securities held. U.S. persons who are required to establish their exempt status generally must provide a duly completed IRS Form W-9 (Request for Taxpayer Identification Number and Certification). Non-U.S. Holders generally will not be subject to U.S. information reporting or backup withholding. However, these holders may be required to provide certification of non-U.S. status (generally on IRS Form W-8BEN) in connection with payments received in the United States or through certain U.S.-related financial intermediaries. Holders should consult their own tax advisors regarding the application of the information and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a holder's U.S. federal income tax liability. A holder may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for refund with the IRS and furnishing any required information.

Tax Return Disclosure Requirements

A U.S. Holder may be required to report a sale or other disposition of its Notes (or, in the case of an accrual basis U.S. Holder, a payment of accrued interest) on IRS Form 8886 (Reportable Transaction Disclosure Statement) if it recognizes exchange loss that exceeds U.S.$50,000 in a single taxable year from a single transaction in the Notes, if such U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders. U.S. Holders are urged to consult their tax advisors in this regard.

New Legislation

Newly enacted legislation requires certain U.S. Holders who are individuals, estates or trusts to pay an additional 3.8% tax on, among other things, interest on and capital gains from the sale or other disposition of Notes for taxable years beginning after December 31, 2012. In addition, for taxable years beginning after March 18, 2010, new legislation requires certain U.S. Holders who are individuals to report information relating to interest on the Notes, subject to certain exceptions (including an exception for Notes held in accounts maintained by certain financial institutions). U.S. Holders should consult their tax advisors regarding the effect, if any, of this legislation on their ownership and disposition of the Notes.

CERTAIN ERISA CONSIDERATIONS

General

The U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain requirements on employee benefit plans subject to Title I of ERISA and on entities that are deemed to hold the assets of such plans (collectively, "ERISA Plans"), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including, but not limited to, the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the plan.

Section 406 of ERISA and Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts (together with ERISA Plans, "Plans")) and certain persons (referred to as "parties in interest" or "disqualified persons") having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code.

Any Plan fiduciary which proposes to cause a Plan to purchase the Notes should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment, and to confirm that such purchase and holding will not constitute or result in a non-exempt prohibited transaction or any other violation of an applicable requirement of ERISA.

Non-U.S. plans, governmental plans and certain church plans, while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of ERISA and Section 4975 of the Code, may nevertheless be subject to non-U.S., state, local or other federal laws or regulations that are substantially similar to the foregoing provisions of ERISA and the Code ("Similar Law"). Fiduciaries of any such plans should consult with their counsel before purchasing the Notes to determine the need for, and the availability, if necessary, of any exemptive relief under any such law or regulations.

Prohibited Transaction Exemptions

The fiduciary of a Plan that proposes to purchase and hold any Notes should consider, among other things, whether such purchase and holding may involve (i) the direct or indirect extension of credit to a party in interest or a disqualified person, (ii) the sale or exchange of any property between a Plan and a party in interest or a disqualified person, or (iii) the transfer to, or use by or for the benefit of, a party in interest or disqualified person, of any Plan assets. Such parties in interest or disqualified persons could include, without limitation, the Issuer, the guarantors, the initial purchasers, Trustee or any of their respective affiliates. Depending on the satisfaction of certain conditions which may include the identity of the Plan fiduciary making the decision to acquire or hold the Notes on behalf of a Plan, Section 408(b)(17) of ERISA or Prohibited Transaction Class Exemption ("PTCE") 84-14 (relating to transactions effected by a "qualified professional asset manager"), PTCE 90-1 (relating to investments by insurance company pooled separate accounts), PTCE 91-38 (relating to investments by bank collective investment funds), PTCE 95-60 (relating to investments by insurance company general accounts) or PTCE 96-23 (relating to transactions directed by an in-house asset manager) (collectively, the "Class Exemptions") could provide an exemption from the prohibited transaction provisions of ERISA and Section 4975 of the Code. However, there can be no assurance that any of these Class Exemptions or any other exemption will be available with respect to any particular transaction involving the Notes.

By its purchase of any Note, the purchaser thereof will be deemed to have represented and warranted that either:

(i) no assets of a Plan or non-U.S., governmental or church plan have been used to acquire such Notes or an interest therein or (ii) the purchase and holding of such Notes or an interest therein by such person do not constitute a non-exempt prohibited transaction under ERISA or the Code or violation of Similar Law.

Each Plan fiduciary (and each fiduciary for non-U.S., governmental or church plans subject to Similar Law) should consult with its legal advisor concerning the potential consequences to the plan under ERISA, the Code or such Similar Laws of an investment in the Notes.

NOTICE TO INVESTORS

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes offered hereby.

The Notes and the guarantees have not been and will not be registered under the U.S. Securities Act, or any state securities laws, and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Notes offered hereby are being offered and sold only to qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act) in reliance on Rule 144A under the U.S. Securities Act and in offshore transactions in reliance on Regulation S under the U.S. Securities Act.

We have not registered and will not register the Notes or the guarantees under the U.S. Securities Act and, therefore, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, we are offering and selling the Notes to the initial purchasers for re-offer and resale only:

- in the United States to "qualified institutional buyers", commonly referred to as "QIBs", as defined in Rule 144A in compliance with Rule 144A; and
- outside the United States to non-U.S. persons in offshore transactions in accordance with Regulation S.

We use the terms "offshore transaction", "U.S. person" and "United States" with the meanings given to them in Regulation S.

Each purchaser of Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with us and the initial purchasers as follows:

(1) You understand and acknowledge that the Notes and the guarantees have not been registered under the U.S. Securities Act or any other applicable securities laws and that the Notes are being offered for resale in transactions not requiring registration under the U.S. Securities Act or any other securities laws, including sales pursuant to Rule 144A under the U.S. Securities Act, and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the U.S. Securities Act or any other applicable securities laws, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraphs (4) and (5) below.

(2) You are not our "affiliate" (as defined in Rule 144 under the U.S. Securities Act) or acting on our behalf and that either:

- you are a QIB, within the meaning of Rule 144A under the U.S. Securities Act and are aware that any sale of these Notes to you will be made in reliance on Rule 144A under the U.S. Securities Act, and such acquisition will be for your own account or for the account of another QIB; or
- you are not a U.S. person or purchasing for the account or benefit of a U.S. person, other than a distributor, and you are purchasing the Notes in an offshore transaction in accordance with Regulation S under the U.S. Securities Act.

(3) You acknowledge that none of us, the Issuer, the guarantors, or the initial purchasers, nor any person representing any of them, has made any representation to you with respect to us, the Issuer and its subsidiaries or the offer or sale of any of the Notes, other than the information contained in this offering memorandum, which offering memorandum has been delivered to you and upon which you are relying in making your investment decision with respect to the Notes. You acknowledge that neither the initial purchasers nor any person representing the initial purchasers make any representation or warranty as to the accuracy or completeness of this offering memorandum. You have had access to such financial and other information concerning us, the Issuer and its subsidiaries and the Notes as you have deemed necessary in connection with your decision to purchase any of the Notes, including an opportunity to ask questions of, and request information from, us and the initial purchasers.

(4) You are purchasing the Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer

or sale in connection with, any distribution thereof in violation of the U.S. Securities Act or any state securities laws, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within its or their control and subject to your or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the U.S. Securities Act.

(5) You agree on your own behalf and on behalf of any investor account for which you are purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes prior to the date (the "Resale Restriction Termination Date") that is one year (in the case of Rule 144A Notes) or 40 days (in the case of Regulation S Notes) after the later of the date of the original issue and the last date on which we or any of our affiliates were the owner of such Notes (or any predecessor thereto) only (i) to the Issuer, (ii) pursuant to a registration statement that has been declared effective under the U.S. Securities Act, (iii) for so long as the Notes are eligible for resale pursuant to Rule 144A under the U.S. Securities Act, to a person you reasonably believe is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A under the U.S. Securities Act, (iv) pursuant to offers and sales that occur outside the United States in compliance with Regulation S under the U.S. Securities Act or (v) pursuant to any other available exemption from the registration requirements of the U.S. Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and to compliance with any applicable state securities laws, and any applicable local laws and regulations, and further subject to the our and the trustee's rights prior to any such offer, sale or transfer (I) pursuant to clause (v) to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them and (II) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the reverse of the security is completed and delivered by the transferor to the Trustee. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date.

(6) You agree that either (i) no assets of a Plan or non-U.S., governmental or church plan have been used by it to acquire the Notes or an interest therein or (ii) the purchase and holding of the Notes or an interest therein by it do not constitute a non-exempt prohibited transaction under ERISA or the Code or violation of Similar Law.

Each purchaser acknowledges that each Note will contain a legend substantially to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTE, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") THAT IS [IN THE CASE OF RULE 144A NOTES: ONE YEAR] [IN THE CASE OF REGULATION S NOTES: 40 DAYS] AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF THIS NOTE) ONLY (A) TO THE ISSUER, THE GUARANTORS OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE

DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (III) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

If you purchase Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

(7) You agree that you will give to each person to whom you transfer the Notes notice of any restrictions on the transfer of such Notes.

(8) You acknowledge that until 40 days after the commencement of the Offering, any offer or sale of the Notes within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the U.S. Securities Act.

(9) You acknowledge that the Registrar will not be required to accept for registration or transfer any Notes acquired by you except upon presentation of evidence satisfactory to us and the Registrar that the restrictions set forth therein have been complied with.

(10) You acknowledge that we, the initial purchasers and others will rely upon the truth and accuracy of your acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by your purchase of the Notes are no longer accurate, it shall promptly notify the initial purchasers. If you are acquiring any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each such investor account and that you have full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.

(11) You understand that no action has been taken in any jurisdiction (including the United States) by us or the initial purchasers that would result in a public offering of the Notes or the possession, circulation or distribution of this offering memorandum or any other material relating to us or the Notes in any jurisdiction where action for such purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth under "Plan of Distribution".

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in a purchase agreement (the "Purchase Agreement") to be dated as of the date of this offering memorandum, the Issuer has agreed to sell to each initial purchaser, and each initial purchaser has agreed, severally and not jointly, to purchase the Notes from the Issuer.

The following table sets forth the amount of Notes to be purchased by each initial purchaser in the Offering:

Initial Purchaser(1)	Principal Amount of Notes
Credit Suisse Securities (Europe) Limited	€362,655,000
Goldman Sachs International	€362,655,000
BNP PARIBAS	€90,663,750
Deutsche Bank AG, London Branch	€90,663,750
ING Bank N.V., London Branch	€90,663,750
J.P. Morgan Securities Ltd.	€90,663,750
Morgan Stanley & Co. International plc	€24,177,000
The Royal Bank of Scotland plc	€24,177,000
Fortis Bank (Nederland) N.V.	€12,088,500
Lloyds TSB Bank plc	€12,088,500
Natixis	€12,088,500
Nomura International plc	€12,088,500
Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International)	€12,088,500
Société Générale	€12,088,500
Total	€1,208,850,000

(1) Sales in the United States will be made through affiliates of the initial purchasers listed above.

The Purchase Agreement provides that the obligations of the initial purchasers to pay for and accept delivery of the Notes are subject to, among other conditions, the delivery of certain legal opinions by counsel.

The initial purchasers propose to offer the Notes initially at the price indicated on the cover page hereof. After the initial Offering, the offering price and other selling terms of the Notes may from time to time be varied by the initial purchasers without notice.

Persons who purchase Notes from the initial purchasers may be required to pay stamp duty, taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the offering price set forth on the cover page hereof.

The Purchase Agreement provides that we will indemnify and hold harmless the initial purchasers against certain liabilities, including liabilities under the U.S. Securities Act, and will contribute to payments that the initial purchasers may be required to make in respect thereof. We have agreed, subject to certain limited exceptions, not to, offer, sell, contract to sell or otherwise dispose of, except as provided under the Purchase Agreement, (i) any securities of, or guaranteed by, the Issuer or any of the guarantors or affiliates that are substantially similar to the Notes (other than any senior secured notes) during the period from the date of the Purchase Agreement through and including the date six months after the date of the Purchase Agreement or (ii) any senior secured notes during the period from the date of the Purchase Agreement through and including the date 30 days after the date of the Purchase Agreement, in each case, without the prior written consent of Credit Suisse Securities (Europe) Limited and Goldman Sachs International.

The Notes and the guarantees have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act and to certain persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the U.S. Securities Act. Resales of the Notes are restricted as described under "Notice to Investors".

In relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a "Relevant Member State"), each initial purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), it has not made and will not make an offer to the public of any Notes which are the subject of the Offering contemplated by this offering memorandum in that Relevant Member State other than:

(a) to legal entitles which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to fewer than 100 natural or legal persons (other than qualified investors as defined in Article 2(1)(e) of the Prospectus Directive);

(c) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or

(d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Notes shall require the Issuer or the initial purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression of an "offer of notes to the public" in relation to the Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each initial purchaser has represented, warranted and agreed that it:

- has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to us or the guarantors; and

- has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

No action has been taken in any jurisdiction, including the United States and the United Kingdom, by us or the initial purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this offering memorandum or any other material relating to us or the Notes in any jurisdiction where action for this purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this offering memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This offering memorandum does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this offering memorandum comes are advised to inform themselves about and to observe any restrictions relating to the Offering, the distribution of this offering memorandum and resale of the Notes. See "Notice to Certain European Investors".

The Notes are a new issue of securities for which there currently is no market. We have applied, through our listing agent, to list the Notes on the Official List of the Luxembourg Stock Exchange and trade the Notes on the Euro MTF, however, we cannot assure you that such listing will be maintained.

The initial purchasers are not obligated, however, to make a market in the Notes, and any market-making activity may be discontinued at any time at the sole discretion of the initial purchasers without notice. In addition, any such market-making activity will be subject to the limits imposed by the U.S. Securities Act and the U.S. Securities Exchange Act of 1934, as amended, or the U.S. Exchange Act. Accordingly, we cannot assure you that any market for the Notes will develop, that it will be liquid if it does develop, or that you will be able to sell any Notes at a particular time or at a price which will be favorable to you. See "Risk Factors—Risks Relating to the Notes and Our Capital Structure—There may not be an active trading market for the Notes in which case your ability to sell the Notes will be limited".

Delivery of the Notes was made against payment on the Notes on the date specified on the cover page of this offering memorandum, which was seven United Kingdom business days following the date of pricing of the Notes (this settlement cycle is being referred to as "T + 7"). Trades in the secondary market generally settle in three business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wished to trade the Notes on the date of pricing of the Notes or the next three succeeding United Kingdom business days were required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement.

In connection with the Offering, the Stabilizing Manager, or persons acting on its behalf, may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the Stabilizing Manager, or persons acting on its behalf, may bid for and purchase Notes in the open markets to stabilize the price of the Notes. The

Stabilizing Manager, or persons acting on its behalf, may also over allot the Offering, creating a syndicate short position, and may bid for and purchase Notes in the open market to cover the syndicate short position. In addition, the Stabilizing Manager, or persons acting on its behalf, may bid for and purchase Notes in market making transactions as permitted by applicable laws and regulations and impose penalty bids. These activities may stabilize or maintain the respective market price of the Notes above market levels that may otherwise prevail. The Stabilizing Manager is not required to engage in these activities, and may end these activities at any time. Accordingly, no assurances can be given as to the liquidity of, or trading markets for, the Notes. See "Risk Factors—Risks Relating to the Notes and Our Capital Structure—There may not be an active trading market for the Notes in which case your ability to sell the Notes will be limited".

The initial purchasers may engage in over-allotment, stabilizing transactions, covering transactions and penalty bids in accordance with Regulation M under the U.S. Exchange Act.

Over-allotment involves sales in excess of the offering size, which creates a short position for the relevant initial purchaser. Stabilizing transactions permit bidders to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Covering transactions involve purchase of the Notes in the open market after the distribution has been completed in order to cover short positions. Penalty bids permit the initial purchaser to reclaim a selling concession from a broker or dealer when the Notes originally sold by that broker or dealer are purchased in a stabilizing or covering transaction to cover short positions.

These stabilizing transactions, covering transactions and penalty bids may cause the price of the Notes to be higher than it would otherwise be in the absence of these transactions. These transactions, if commenced, may be discontinued at any time.

Lloyds TSB Bank plc is not a U.S. registered broker-dealer and, therefore, to the extent that they intend to effect any sales of the Notes in the United States, they will do so through one or more U.S. registered broker-dealers as permitted by the regulations of the Financial Industry Regulatory Authority.

The initial purchasers or their respective affiliates from time to time have provided in the past and may provide in the future investment banking, financial advisory and commercial banking services to us and our affiliates in the ordinary course of business for which they have received or may receive customary fees and commissions.

In addition, certain of the initial purchasers and their affiliates are lenders under our Senior Credit Agreement and counterparties to certain of our hedging arrangements. ING Bank N.V., is the facility agent and security agent under our Senior Credit Agreement and our Mezzanine Credit Facilities. Credit Suisse Securities (Europe) Limited, Goldman Sachs International, Lloyds TSB Bank plc and/or their respective affiliates are lenders under, and certain other initial purchasers and/or their respective affiliates may hold positions in, our Mezzanine Credit Facilities, which will be repaid with the proceeds of the Offering.

LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon for us by Shearman & Sterling (London) LLP, as to matters of United States federal and New York law, and by Stibbe N.V., as to matters of Dutch law. Certain legal matters in connection with the Offering will be passed upon for the initial purchasers by Latham & Watkins (London) LLP, as to matters of United States federal and New York law, and by Allen & Overy LLP, as to matters of Dutch law.

INDEPENDENT AUDITORS

The statement of financial position (company only) of the Issuer as of March 31, 2010 and the notes thereto included in this offering memorandum have been audited by Ernst & Young Accountants LLP, independent accountants, as stated in their report appearing herein. The consolidated financial statements of ABC B.V. as of December 31, 2007, 2008 and 2009 and for each of the three years in the period ended December 31, 2009 included in this offering memorandum have been audited by Ernst & Young Accountants LLP, independent accountants, as stated in their report appearing herein.

WHERE YOU CAN FIND MORE INFORMATION

We are not currently subject to the periodic reporting and other information requirements of the U.S. Exchange Act.

We have agreed in the Indenture governing these Notes that, if at any time we are not subject to Section 13 or 15(d) of the U.S. Exchange Act, or are exempt from reporting pursuant to Rule 12g3-2(b) of the U.S. Exchange Act, we will, upon request of a holder of the Notes, furnish to such holder or beneficial owner or to the Trustee or any relevant paying agent for delivery to such holder or beneficial owner or prospective purchaser of the Notes, as the case may be, the information required to be delivered pursuant to Rule 144A(d)(4) under the U.S. Securities Act, to permit compliance with Rule 144A thereunder in connection with resales of the Notes. Any such request should be directed to us at Ziggo, Afdeling Strategy & Legal, Postbus 43048, 3540 AA Utrecht, the Netherlands, Attention: Arent van der Feltz. All of the above documents will be available at the offices of the Paying Agent in Luxembourg and in London.

ENFORCEMENT OF JUDGMENTS

We have been advised by our Dutch counsel, Stibbe N.V., that there is doubt as to the enforceability in the Netherlands of civil liabilities based on the securities laws of the United States, either in an original action or in an action to enforce a judgment obtained in U.S. courts. The United States and the Netherlands currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Consequently, a final judgment for payment given by a court in the United States, whether or not predicated solely upon U.S. securities laws, would not be enforceable in the Netherlands. However, if a person has obtained a final and conclusive judgment rendered by a U.S. court which is enforceable in the United States and files a claim with the competent Dutch court, the Dutch court may be expected to render a judgment in accordance with the judgment of the relevant U.S. court, provided that such judgment has not been rendered in violation of elementary principles of fair trial and is not contrary to the public policy of the Netherlands and has been rendered by a court which has established its jurisdiction vis-à-vis the relevant party on the basis of a valid submission by such party to the jurisdiction of such U.S. court. It is uncertain whether this practice extends to default judgments as well. Dutch courts may deny the recognition and enforcement of punitive damages or other awards. Moreover, a Dutch court may reduce the amount of damages granted by a U.S. court and recognize damages only to the extent that they are necessary to compensate actual losses or damages. Enforcement and recognition of judgments of U.S. courts in the Netherlands are solely governed by the provisions of the Dutch Civil Procedure Code.

Dutch civil procedure differs substantially from U.S. civil procedure in a number of respects. Insofar as the production of evidence is concerned, U.S. law and the laws of several other jurisdictions based on common law provide for pre-trial discovery, a process by which parties to the proceedings may prior to trial compel the production of documents by adverse or third parties and the deposition of witnesses. Evidence obtained in this manner may be decisive in the outcome of any proceeding. No such pre-trial discovery process exists under Dutch law.

LISTING AND GENERAL INFORMATION

1. The Issuer was incorporated in the Netherlands on March 30, 2010. The address of the Issuer is Winschoterdiep 60, 9723 AB Groningen, The Netherlands.

2. Application has been made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and to be traded on the Luxembourg Stock Exchange's Euro MTF Market.

3. So long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and are traded on the Luxembourg Stock Exchange's Euro MTF Market and the rules of such exchange shall so require, copies of our Articles of Association and those of the Guarantors, the Indenture, the Parallel Priority Agreement and the Security Documents will be available free of charge at the specified office of the Paying Agent in Luxembourg referred to in paragraph 7 below. The guarantees will be issued pursuant to the Indenture. So long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and are traded on the Luxembourg Stock Exchange's Euro MTF Market and the rules of such exchange shall so require, copies of the financial statements included in this offering memorandum will be available free of charge during normal business hours on any weekday at the offices of such Paying Agent in Luxembourg referred to in paragraph 7 below. The Issuer has not published consolidated financial statements.

4. We accept responsibility for the information contained in this offering memorandum. To the best of our knowledge, except as otherwise noted, the information contained in this offering memorandum is in accordance with the facts and does not omit anything likely to affect the import of this offering memorandum.

5. Except as disclosed herein, there has been no material adverse change in our consolidated financial position since December 31, 2009, and there has been no material adverse change in the financial position of the Issuer since its incorporation.

6. Neither we nor any of our subsidiaries is a party to any litigation that, in our judgment, is material in the context of the issue of the Notes, except as disclosed herein.

7. We have appointed Deutsche Bank Luxembourg S.A. as our Paying Agent and Transfer Agent in Luxembourg. We reserve the right to vary such appointment and shall publish notice of such change of appointment in a newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the Luxembourg Stock Exchange's website, *www.bourse.lu*. The Paying Agent in Luxembourg will act as intermediary between the holders of the Notes and us, and so long as the Notes are listed on the Luxembourg Stock Exchange's Euro MTF Market, we will maintain paying and transfer agents in Luxembourg.

8. The issuance of the Notes was authorized by resolutions of the board of directors of the Issuer passed at meetings held on April 15, 2010. The guarantees were authorized by resolutions of the boards of directors of each of the Guarantors passed at meetings held on April 15, 2010.

9. The Global Notes sold pursuant to Regulation S and Rule 144A under the U.S. Securities Act have been accepted for clearance through the facilities of Clearstream Banking and Euroclear under common codes 050554104 and 050554651, respectively. The ISIN numbers for the Global Notes sold pursuant to Regulation S are XS0505541044 and the ISIN numbers for the Global Notes sold pursuant to Rule 144A are XS0505546514.

GLOSSARY OF SELECTED TERMS

Term	Definition
ADSL	Asymmetric Digital Subscriber Line, which is the most commonly used variant of DSL. Asymmetric Digital Subscriber Lines normally have three to four times more bandwidth for downloading data than uploading.
Analog	Comes from the word “analogous”. In telephone transmission, the signal being transmitted (voice, video or image) is “analogous” to the original signal.
ARPU	Average Revenue Per User; the average monthly revenue per user, a measure used to track growth in revenue per user.
Broadband	Internet connection with data transfer speeds of at least 150 kbps in one direction.
CI+	Common Interface Plus, which allows customers with modern television sets to enjoy digital television without using a separate set-top box.
Coaxial Cable	Electrical cable with an inner conductor, surrounded by a tubular insulating layer.
Digital	The use of a binary code to represent information in telecommunications recording and computing. Analog signals, such as voice or music, are encoded digitally by sampling the voice or music analog signals many times a second and assigning a number to each sample. Recording or transmitting information digitally has two major benefits: first, digital signals can be reproduced more precisely so digital transmission is “cleaner” than analog transmission and the electronic circuitry necessary to handle digital is becoming cheaper and more powerful; and second, digital signals require less transmission capacity than analog signals.
DSL	Digital Subscriber Line, which is a generic name for a range of digital technologies relating to the transmission of Internet and data signals from the telecommunications service provider’s central office to the end customer’s premises over the standard copper wire used for voice services.
DTT	Digital terrestrial television, which is digital broadcasting of television signals over terrestrial antennas and other earthbound circuits without any use of satellite.
EuroDocsis 3.0	International telecommunications standard that permits the addition of high-speed data transfer to an existing cable TV system.
Fiber-to-the-curb/home	Network architecture that uses optical fiber to reach the end user’s street or home in order to deliver broadband services.
Free-to-air	Transmission of content for which television viewers are not required to pay a fee for receiving transmissions.
GHz	Gigahertz, one billion hertz (a unit of frequency).
Homes passed	The number of homes and other units such as apartments (including housing associations) that can be connected to our network.
HSPA	High Speed Packet Access—a collection of two mobile telephony protocols.
IP	Internet Protocol is a protocol used for communicating data across a packet-switched network. It is used for transmitting data over the Internet and other similar networks. The data is broken down into data packets, each data packet is assigned an individual address, then the data packets are transmitted independently and finally reassembled at the destination.
IPTV	Internet Protocol Television, which is the transmission of television content using IP over a network infrastructure, such as a broadband connection.
ITV	Interactive television; two-way communications between viewer and service provider using a television as a display. Uses include selecting television programs, participating in games and purchasing goods and services.
KPN	KPN N.V., the incumbent telecommunications operator in the Netherlands.
LTE	3GPP (3rd Generation Partnership Project) Long Term Evolution, a new high performance air interface for cellular mobile communication systems. LTE is the last step toward the 4th generation (4G) of radio technologies designed to increase the capacity and speed of mobile telephone networks.
Mbps	Megabits per second; a unit of data transfer rate equal to 1,000,000 bits per second. The bandwidths of broadband networks are often indicated in Mbps, or Mb/s.
OTT-TV	IPTV services that are delivered “over the top” of an existing broadband network.
PSTN	Public Switched Telephony Network.
Return path	A communications connection that carries signals from the subscriber back to the operator.
RGU	Revenue Generating Unit; refers to each subscriber receiving standard cable, digital pay television, broadband Internet or telephony services over our network. Thus, one subscriber who receives all four services would be counted as four RGUs.
Set-top box	The hardware required by the end customer to view digital television programming.
Smart card	A pocket-sized card with embedded integrated circuits that, when used with a digital receiver, enables our subscribers to decrypt and receive our digital television services.
Triple-play	The combination of television, broadband Internet and telephony services.

UMTS	Universal Mobile Telecommunications System, a third generation, or “3G”, mobile technology that delivers broadband information at speeds up to 2 Mbps.
VDSL	Very high speed DSL.
VoIP	Voice over IP, or the transmission of voice via Internet Protocol.
WiMax	Worldwide interoperability for microwave access; a telecommunications technology that provides wireless transmission of data using a variety of transmission modes, from point-to-multipoint links to portable and fully mobile Internet access.
WLAN	Wireless local area network; links devices via a wireless distribution method.

INDEX TO FINANCIAL STATEMENTS

To the shareholder of Zesko Bond Company B.V.

Auditor's report

Introduction

We have audited the accompanying statement of financial position (company only) and explanatory notes of Zesko Bond Company B.V., Amsterdam, as per 31 March 2010. This statement is the responsibility of the company's management. Our responsibility is to express an opinion on this statement based on our audit.

Scope

We conducted our audit in accordance with Dutch Law. This law requires that we plan and perform the audit to obtain reasonable assurance whether the statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the statement of financial position (company only) as per 31 March 2010 of Zesko Bond Company B.V. has been prepared, in all material respects in accordance with the accounting policies selected and disclosed by the company, as set out in the notes to the statement.

Other matter – restriction of use (and distribution)

The statement of financial position (company only) of Zesko Bond Company B.V. and our auditor's report thereon are intended solely for the purpose of inclusion in the prospectus of Zesko Bond Company B.V. regarding the bond issuance and are not suitable for other purposes.

Amsterdam, 16 April 2010

Ernst & Young Accountants LLP

Signed by F.J. Blenderman

STATEMENT OF FINANCIAL POSITION (company only) ZESKO BOND COMPANY B.V.

STATEMENT OF FINANCIAL POSITION (company only)

As per 31 March 2010, in thousands of Euro	**Note**	**31 March 2010**
ASSETS		
Equity investments	3	841,000
Non-current assets		841,000
TOTAL ASSETS		**841,000**
EQUITY AND LIABILITIES		
Issued share capital		18
Share premium		840,982
Equity attributable to equity holders	4	841,000
TOTAL EQUITY AND LIABILITIES		**841,000**

The accompanying notes are an integral part of the statement of financial position.

NOTES TO THE STATEMENT OF FINANCIAL POSITION (company only)

1. Corporate information

Zesko Bond Company B.V. (the 'Company') is a private limited company incorporated having its corporate seat in Amsterdam (Address: 9723 AB Groningen, Winschoterdiep 60) The Netherlands. The Company is wholly owned by Zesko Bond Company Holding B.V. whose ultimate shareholders are the private equity companies Cinven Limited and Warburg Pincus LLC.

Zesko Bond Company B.V. was established on 30 March 2010 and is the holding company of Amsterdamse Beheer- en Consultingmaatschappij B.V. The principal activities of the Company are to participate in and to finance the activities of the Amsterdamse Beheer- en Consultingmaatschappij B.V. and subsequently direct and indirect subsidiaries thereof, of which the main subsidiary is Ziggo B.V. Ziggo B.V. offers analogue and digital radio and television, broadband internet and telephony services in The Netherlands to 3.2 million households.

2. Significant accounting policies

Basis of preparation

The statement of financial position (company only) as per 31 March 2010 of Zesko Bond Company B.V. is prepared for the purpose of inclusion in the prospectus of Zesko Bond Company B.V. regarding the bond issuance. This statement has been prepared in accordance with IAS 1 para 54 - 80A, IAS 27.38(a) and IAS 32 of the International Financial Reporting Standards (IFRS) laid down by the International Accounting Standards Board and adopted by the European Union. Historical cost is used as the measurement basis unless otherwise indicated.

The statement of financial position (company only) is presented in thousands of Euros (€) except when stated otherwise.

Equity investments

The equity investments are accounted for at cost in accordance with IAS 27.38(a).

3. Equity investments

At 31 March 2010 the Company is the sole shareholder of Amsterdamse Beheer- en Consultingmaatschappij B.V., Amsterdam, The Netherlands. The subsidiary was acquired through a contribution in kind on the shares issued upon incorporation. The value attributed to the subsidiary acquired amounts to € 841,000, which is equal to the equity value of Amsterdamse Beheer- en Consultingmaatschappij B.V. at 31 December 2009 as derived from the consolidated financial statements of Amsterdamse Beheer- en Consultingmaatschappij B.V. for the year 2009, which have been prepared in accordance with International Financial Reporting Standards (IFRS) laid down by the International Accounting Standards Board and adopted by the European Union. Any changes to the equity value of Amsterdamse Beheer- en Consultingmaatschappij B.V. in the period from 31 December 2009 through 31 March 2010 have not been taken into account.

4. Shareholder's equity

The Company is incorporated as a private limited liability company under Dutch law. Its' registered capital fully consists of ordinary shares. The company's equity as per 31 March 2010 is presented in accordance with IAS 32.

	31 March, 2010
Authorised capital:	
Ordinary shares 900 of €100 each	90
Issued an fully paid (180 shares)	18
Share premium	840,982
Equity attributable to equity holders	841,000

5. Related party disclosures

Identification of related parties

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party making financial or operational decisions. The related parties comprise associated companies, key-management personnel and close family members of related parties.

Issuance of a high yield bond

Zesko Bond Company B.V. has been established, amongst others, to issue a high yield bond (see Note 7). Proceeds received will be used to replace the current Mezzanine loan of its subsidiaries.

Group companies of Zesko Bond Company B.V.

The following are Zesko Bond Company's significant subsidiaries as of 31 March 2010. Unless otherwise indicated, these are wholly owned subsidiaries held by Zesko Bond Company's via it's directly owned subsidiary Amsterdamse Beheer- en Consultingmaatschappij B.V. Subsidiaries not important to providing an insight are omitted from this list.

- Amsterdamse Beheer- en Consultingmaatschappij B.V., Amsterdam, The Netherlands
- Christina Beheer- en Adviesmaatschappij B.V., Amsterdam, The Netherlands
- Serpering Investments B.V., Amsterdam, The Netherlands
- Plinius Investments II B.V., Amsterdam, The Netherlands
- Torenspits II B.V., Amsterdam, The Netherlands
- Ziggo Holding B.V., Groningen, The Netherlands
- Ziggo B.V., Groningen, The Netherlands
- Ziggo Netwerk B.V., Groningen, The Netherlands
- TeleCai Den Haag B.V., Den Haag, The Netherlands

Contribution in kind

Upon issuance of shares in the company the shares of Amsterdamse Beheer- en Consultingmaatschappij are contributed by the company's ultimate shareholders Cinven Limited and Warburg Pincus LLC.

6. Commitments and contingencies

The Company does not have any commitments or contingencies at 31 March 2010.

7. Subsequent events

Zesko Bond Company B.V. was established on 30 March 2010 in order to facilitate the issuance of a high yield bond which will replace the current Mezzanine loan of the Company's subsidiaries. The Company expects – given the current market – to issue the bond at a lower interest rate compared to the interest charged for the Mezzanine loan.

AUDITOR’S REPORT

To: the shareholders of Amsterdamse Beheer- en Consultingmaatschappij B.V.

Report on the financial statements

We have audited the accompanying financial statements 2009 of Amsterdamse Beheer- en Consultingmaatschappij B.V., Amsterdam. The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2009, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. The company financial statements comprise the company balance sheet as at 31 December 2009, the company profit and loss account for the year then ended and the notes.

Management’s responsibility

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor’s responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the 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 entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Amsterdamse Beheer- en Consultingmaatschappij B.V. as at 31 December 2009, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Amsterdamse Beheer- en Consultingmaatschappij B.V. as at 31 December 2009, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amsterdam, 26 March 2010

Ernst & Young Accountants LLP

Signed by F.J. Blenderman

CONSOLIDATED INCOME STATEMENT

For the years ended 31 December

Amounts in thousands of euro	Note	2009	2008
Total Revenues		1,284,395	1,238,613
Cost of goods sold		255,481	236,112
Personnel	5	175,868	156,447
Contracted work		80,980	57,933
Materials & logistics		11,166	10,999
Marketing & sales		36,944	46,674
Office expense		64,405	76,192
Other operating expenses		10,878	27,801
Depreciation		261,752	252,099
Amortisation		215,488	212,450
Total operating expenses		1,112,962	1,076,707
Operating income		171,433	161,906
Net financial income (expense)	4	(313,045)	(462,357)
Loss before income taxes		(141,612)	(300,451)
Income tax benefit (expense)	6	36,111	76,615
Net loss for the year		(105,501)	(223,836)
Net loss attributable to equity holders of the parent		(105,501)	(223,836)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the years ended 31 December

Amounts in thousands of euro	**2009**	**2008**
Net loss for the year	(105,501)	(223,836)
Cash flow hedges, net of tax	(27,149)	–
Total comprehensive income for the year	(132,650)	(223,836)
Total comprehensive income attributable to equity holders of the parent	(132,650)	(223,836)

CONSOLIDATED BALANCE SHEET

As at 31 December, before appropriation of current year result

Amounts in thousands of euro	Note	2009	2008
ASSETS			
Property and equipment	7	1,549,664	1,646,419
Intangible assets	8	3,593,060	3,718,436
Financial assets	9	368	899
Deferred income tax asset	6	138,513	129,313
Total non-current assets		5,281,605	5,495,067
Inventories	10	25,542	13,978
Trade accounts receivable	11	43,592	48,719
Other current assets	12	27,184	30,102
Cash and cash equivalents	13	65,271	42,541
Total current assets		161,589	135,340
TOTAL ASSETS		**5,443,194**	**5,630,407**
EQUITY AND LIABILITIES			
Issued share capital		9,813	9,813
Share premium		1,394,953	1,394,953
Other reserves		(27,149)	–
Retained earnings		(430,501)	(206,665)
Net income (loss) for the period		(105,501)	(223,836)
Equity attributable to equity holders		841,615	974,265
Loans from financial institutions	15	3,712,042	3,801,283
Derivative financial instruments	22	102,261	73,935
Provisions	17	–	5,093
Deferred income tax liability	6	447,528	483,731
Total non-current liabilities		4,261,831	4,364,042
Trade accounts payable		102,951	60,242
Deferred revenue		106,247	97,407
Current liabilities related parties		948	877
Other current liabilities	18	129,602	133,574
Total current liabilities		339,748	292,100
TOTAL EQUITY AND LIABILITIES		**5,443,194**	**5,630,407**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in thousands of euro	Issued capital	Share premium	Cash flow hedge reserve	Retained earnings	Net income (loss)	Total equity
Balance at 31 December 2007	9,813	1,394,953	–	(44,728)	(161,937)	1,198,101
Comprehensive income						
Net loss for the year 2008	–	–	–	–	(223,836)	(223,836)
Total comprehensive income	–	–	–	–	(223,836)	(223,836)
Transactions with owners						
Appropriation of net loss 2007	–	–	–	(161,937)	161,937	–
Total transactions with owners	–	–	–	(161,937)	161,937	–
Balance at 31 December 2008	9,813	1,394,953	–	(206,665)	(223,836)	974,265
Comprehensive income						
Net loss for the year 2009	–	–	–	–	(105,501)	(105,501)
other comprehensive income:						
cash flow hedges, net of tax	–	–	(27,149)	–	–	(27,149)
Total comprehensive income	–	–	(27,149)	–	(105,501)	(132,650)
Transactions with owners						
Appropriation of net loss 2008	–	–	–	(223,836)	223,836	–
Total transactions with owners	–	–	–	(223,836)	223,836	–
Balance at 31 December 2009	9,813	1,394,953	(27,149)	(430,501)	(105,501)	841,615

CONSOLIDATED CASH FLOW STATEMENT

Amounts in thousands of euro	Note	2009	2008
Operating activities			
Operating income		171,433	161,906
Adjustments to reconcile operating profit to net cash flow			
Non Cash			
Depreciation		261,752	252,099
Amortisation		215,488	212,450
Movement in provisions	16	4,593	(10,607)
Gain on disposal of non current assets		–	(917)
Working Capital adjustments			
(Increase)/Decrease in Current assets		(3,519)	(35,395)
Increase/(Decrease) in Current liabilities		37,962	24,300
Change in Working Capital		*34,443*	*(11,095)*
Net cash flow from operating activities		**687,709**	**603,836**
Investing activities			
Proceeds from divestments		–	1,892
Interest received		1,002	3,522
Purchase of property, plant and equipment	7	(178,602)	(249,291)
Purchase of intangible assets	8	(76,507)	(33,653)
Change in financial assets	9	531	(563)
Net cash flow used in investing activities		**(253,576)**	**(278,093)**
Financing activities			
Interest paid		(250,979)	(272,370)
Repayment loans	15	(160,000)	(128,900)
Repayment of financial lease liabilities		(424)	(431)
Net cash flow from financing activities		**(411,403)**	**(401,701)**
Net (decrease)/increase in cash and cash equivalents		22,730	(75,958)
Net cash and cash equivalents at 1 January		42,541	118,499
Net cash and cash equivalents at 31 December		**65,271**	**42,541**
Net cash and cash equivalents consist of:			
Cash and cash equivalents		65,271	42,541
Cash and cash equivalents at 31 December	13	**65,271**	**42,541**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Corporate information

The consolidated financial statements of Amsterdamse Beheer- en Consultingmaatschappij BV ("ABC", or "the Company") for the year ended 31 December 2009 were authorised for issue in accordance with a resolution of the directors on 26 March 2010. The Company is a private limited company incorporated having its corporate seat in Amsterdam (Address: 9723 AB Groningen, Winschotendiep 60), The Netherlands. The Company is wholly owned by Zesko B.V. whose ultimate shareholders are the private equity companies Cinven Limited and Warburg Pincus LLC.

The principal activities of the Company are to participate in, to finance or to have any other interest in, or to conduct the management of, other companies and enterprises. The Company is the owner and operator of a broadband cable network in The Netherlands. The main subsidiary Ziggo B.V. offers analogue and digital radio and television, broadband internet and telephony services in The Netherlands to 3.2 million households.

The consolidated financial statements of the Company include the subsidiaries mentioned in Note 22.

In accordance with section 2:402, of The Netherlands Civil Code, a simplified income statement of ABC is included in the Company financial statements.

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except derivative financial instruments that have been measured at fair value. The consolidated financial statements are presented in thousands of Euros (€) except when otherwise indicated.

Statement of compliance

The consolidated financial statements of the Company and all its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intra-group balances, transactions, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

Going Concern

The consolidated financial statements have been prepared by management on a going concern basis, which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. Accordingly, the financial statements do not include any adjustments to recorded asset values that might be necessary should the Company be unable to continue as a going concern. Total shareholder's equity is € 841,615 but it is expected that the Company will incur losses in the foreseeable future mainly due to high depreciation and amortisation amounts and interest expense in relation to the credit facility agreements.

The Company is however expected to be able to generate sufficient cash flows (after financing costs) in the coming years and most of the loans are repayable in 2014 at the earliest with no early repayments other than an excess cash clause, which makes a going concern approach valid.

2. ACCOUNTING POLICIES

2.1 Changes in accounting policies, disclosures and reclassifications

The accounting policies adopted are consistent with those of the previous financial year except as follows:

IFRS 7 Financial Instruments – Disclosures

The amended IFRS 7 'Financial instruments – Disclosures' requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on the group or company's financial statements.

IAS 1 Presentation of Financial Statements

As of 2009, Ziggo applies the revised IAS 1 "Presentation of Financial Statements". The revised standard introduces requirements to present all changes in equity arising from transactions with owners in their capacity as owners separately from non-owner changes in equity and to disclose (i) income tax related to each component of other comprehensive income and (ii) reclassification adjustments relating to components of other comprehensive income. In addition, when an entity applies an accounting policy retrospectively or makes a retrospective restatement or reclassification of items in its financial statements, IAS 1 requires the presentation of a third balance sheet as of the beginning of the earliest comparative period. The adoption of the revised IAS 1 did not have an impact on the Company's financial results or position.

IAS 23 Borrowing Costs

The revision of IAS 23 'Borrowing Costs' requires capitalisation of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying assets. Since ABC already capitalised borrowing costs the adoption did not have an impact on the Company's financial results or position.

IAS 39 Financial Instruments – application of hedge accounting

The Company started to apply hedge accounting in 2009, whereas previously all fair value changes were directly recognised in the income statement within 'other net financial income and expense'. Hedge accounting modifies the usual accounting treatment of a hedging instrument and/or a hedged item to enable gains and losses on the hedging instrument to be recognised in the income statement in the same period as offsetting losses and gains on the hedged item. In order to apply hedge accounting Management must identify, document and test the effectiveness of those transactions for which it wishes to use hedge accounting. As a consequence the change in accounting is applied prospectively by recognising the effect of the change as of 2009 instead of the policy had always been applied. For 2009 an amount of € 36,441 negative (€ 27,149 negative, net of tax) has been recognised within other comprehensive income, whereas previously this would have been recognised within 'other net financial income and expense'.

IFRIC 13 Customer Loyalty Programmes

This interpretation requires customer loyalty credits to be accounted for as a separate component of the sales transaction in which they are granted. A portion of the fair value of the consideration received is allocated to the award credits and deferred. This is then recognised as revenue over the period that the award credits are redeemed. Since the Company does not have a customer loyalty program the interpretation has no impact on its financial position.

Improvements to IFRSs 2008

In May 2008 the IASB issued omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the amendments resulted in changes to accounting policies but did not have any impact on the financial results or position of the Company.

Other newly effective IFRS's and IFRIC interpretations did not have an impact on the financial statements of the Company.

The Company made the following reclassifications of the comparative 2008 financial position and result:

- Cost of goods sold was increased by € 35.3 million and materials and logistics reduced by the same amount to present set top boxes delivered to customers and materials used to connect customers as components of cost of goods sold;

- The amortisation of funding cost of € 17.3 million (see Note 15) is now included within net financial income and expense, whereas previously this was presented within depreciation and amortisation;

- Deferred tax assets were increased by € 18.9 million and deferred tax liabilities were increased by the same amount since the deferred tax on the interest rate swap became an asset during 2008. The company did provide for an additional statement of financial position as at the beginning of 2008, since this information is already presented in Note 6 income tax.

2.2 Summary of significant accounting policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied through all years presented, unless otherwise stated.

Foreign Currency Translation

The consolidated financial statements are presented in Euros ("€"), which is the Company's functional and presentation currency.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing at the transaction dates. Monetary items denominated in foreign currencies are translated into the Company's functional currency spot rate of exchange ruling at the balance sheet date. Exchange differences arising on the settlement of monetary items and on the translation of monetary items, are included in net income for the period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and reported at the net amount in the consolidated balance sheet if, and only if, ABC has a legally enforceable right to set off the recognised amounts, and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Business combinations and goodwill

Business combinations are accounted for using the acquisition accounting method. This involves recognising identifiable assets (including previously unrecognised intangible assets) and liabilities (including contingent liabilities and excluding future restructuring) of the acquired business at fair value.

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Company are assigned to those units or groups of units. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Company at which the goodwill is monitored for internal management purposes.

Where goodwill forms part of a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

When subsidiaries are sold, the difference between the selling price and the net assets plus cumulative translation differences and unamortised goodwill is recognised in the income statement.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and accumulated impairment, if any. The cost include direct costs (materials, replacing parts, direct labour and contracted work) and direct attributable overhead costs. Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the costs of the respective assets. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. The interest percentage used reflects the weighted average interest expense of the Company.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, taking into account residual value. Borrowing cost are depreciated over the estimated useful life of the corresponding asset. Land is not depreciated.

An item of property and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is de-recognised.

The asset's residual values, useful lives and methods of depreciation are reviewed and adjusted if appropriate at each financial year end. Any change in accounting caused by this review is applied prospectively.

Repairs and maintenance are charged to expense during the financial period in which they incur.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditures are reflected in the income statement in the year in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. Such a change in the useful life assessment is made on a prospective basis.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life of the asset remains indefinite. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in the income statement when the asset is derecognised.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased item or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses of continuing operations recognised in the income statement will be recorded in a separate line-item in those expense categories consistent with the classification of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement. Impairment losses recognised in relation to goodwill are not reversed for subsequent increases in its recoverable amount.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units), to which the goodwill relates. The recoverable amount is the higher of the cash generating units fair value less cost to sell and its value in use . The value in use of the cash generating unit is determined using the discounted cash flow method. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. The Company performs its annual impairment test of goodwill as at 31 December.

Investments in associates

The Company uses the equity method of accounting for investment in associates. An associate is an entity in which the Company has significant influence and which is neither a subsidiary nor a joint venture.

After application of the equity method, the Company determines whether it is necessary to recognise an additional impairment loss of the Company's investment in its associates.ABC determines at each balance sheet date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Company calculates the amount of impairment as being the difference between the fair value of the associate and the net equity value and recognises the amount in the income statement.

Inventories

Inventories are valued at cost or net realisable value, whichever is the lower. Cost consist of all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated marketing, distribution and selling expenses.

Most of the inventory is not sold to customers but used in the Company's network and capitalised once used. Sold inventory is included in the cost of goods sold.

Trade accounts receivable and other current assets

Trade accounts receivable and other current assets are initially accounted for at fair value with subsequent valuation at amortized cost, less impairment. An impairment is recorded in operating expenses when it is probable (based on objective evidence) that the Company will not be able to collect all amounts due under the original terms of the invoice. Impairments are calculated on an individual basis and on a portfolio basis for groups of receivables that are not individually identified as impaired. Impaired receivables are de-recognised when they are assessed as uncollectible.

Cash and Cash Equivalents

Cash and short-term deposits in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less. Bank overdrafts are repayable on demand and form an integral part of the Company's cash management. For the purpose of the consolidated cash flow statement, bank overdrafts are included as a component of cash and cash equivalents.

All highly liquid investments purchased with an original maturity of three months or less are considered cash equivalents.

Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost. Transaction costs are deducted from the nominal amount of the loan and amortised over the lifetime of the corresponding loans. This amortisation is included in the income statement in 'Net financial income and expense'. Gains and losses are recognised in the income statement when the liabilities are de-recognised as well as through the amortisation process.

Any non-cash interest element is added to the loan and will be repaid upon maturity.

Derecognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;

- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or

- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Company's continuing involvement is the amount of the transferred asset that the Company may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Company's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

Provisions

Provisions are recognised when a legal or constructive obligation, which can be reliably estimated, exists as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

A provision for restructuring is recognised when management has approved a detailed and formal restructuring plan and the restructuring has either commenced or has been announced to the parties concerned.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

Pensions and other post employment benefits

The defined benefits plans of the Company relates to multi-employer defined benefit plans with publicly or privately administered pension insurance organisations (so called 'bedrijfstak-pensioenfonds'). These pension insurance organisations are not able to provide the Company with sufficient information in order to account for the plans as defined benefit. As a result the defined benefit pension plans are treated as if they are defined contribution plans.

The Company has no obligations for deficits other than higher future pension-insurance payments.

The Company pays contributions on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses in the income statement when they are due.

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and sales taxes or duty.

Rendered services

Revenue primarily comprise revenues earned from subscription fees and to a lesser extent charges for programming. Subscription revenues are recognised at the time services are provided to customers. Pre-invoiced revenues are deferred and allocated to the respective period they relate to. Any unearned revenue is recognised as a deferred revenue within current liabilities.

Other revenues

Other revenues comprise one-off connection fees, other initial fees and sale of goods (set-top boxes).

Cost of Goods Sold

Cost of goods sold include the costs for purchases of materials and services directly related to revenue, such as author rights, interconnection costs, signal delivery costs, royalties and internet service provider fees.

Income Tax

Current income tax is recognized in the consolidated income statement except to the extent that it relates to items recognized directly in equity. Current income tax benefit is based on the best estimate of taxable income for the year, using tax rates that have been enacted or substantively enacted at the balance sheet date, and adjustments for current taxes payable (receivable) for prior years.

Deferred income tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and the corresponding tax basis used in the computation of taxable income.

Deferred income tax assets are generally recognised for all temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except to the extent that a deferred income tax asset arises from the initial recognition of goodwill.

Deferred income tax liabilities are generally recognised for all temporary differences.

Deferred income tax assets and liabilities are based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse or are substantively enacted at the balance sheet date. The effect of a change in tax rates on deferred income tax assets and liabilities is recognised in the period that includes the enactment date. Deferred income tax assets are reduced by a valuation allowance when the Company cannot make the determination that it is more likely than not that some portion or all of the related tax assets will be realised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Derivative financial instruments and hedging

The Company entered into several interest rate swaps in order to mitigate its risks associated with interest rate fluctuations. These derivatives are recognised at fair value. The fair value of interest rate swaps is the estimated amount that would be received or paid to terminate the swap at balance sheet date, taking into account current interest rates and creditworthiness of the swap counter parties.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 21. Movements on the hedging reserve in shareholders' equity are shown in the consolidated statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item is amortised to profit or loss over the period to maturity.

(b) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within 'other net financial income and expense'.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement within 'interest expense'. The gain or loss relating to the ineffective portion is recognised in the income statement within 'other net financial income and expense'.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement within 'other net financial income and expense'.

Depending on their value, derivatives are either presented as an Other financial asset or as Derivative financial instruments within liabilities.

Cash Flow statement

The cash flow statement is prepared using the indirect method with a breakdown into cash flows from operating, investing and financing activities. Cash flows relating to interest and taxes on profits are included in the cash flow from operating activities.

The cash balances of purchased subsidiaries (cash acquired) are included in the consideration paid on acquisition (investing activities).

2.3 Standards issued but not yet effective

The following new standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 2009, and have not been applied in preparing these consolidated financial statements:

- IFRS 2 Share-based Payment (amendment)
- IFRS 3 Business Combinations (revised)
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (amendment)
- IFRS 9 Financial Instruments (new)
- IAS 24 Related Party Disclosures (revised)
- IAS 27 Consolidated and Separate Financial Statements (revised)
- IAS 32 Financial Instruments (revised)
- IAS 38 Intangible Assets (amendment)
- IAS 39 Financial instruments: Recognition and Measurement (amendment)
- IFRIC 9 Reassessment of Embedded Derivatives (amendment)
- IFRIC 14 IAS 19 – Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (amendment)
- IFRIC 17 Distribution of Non-cash Assets to Owners (new)
- IFRIC 18 Transfers of Assets from Customers (new)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (new)
- Improvements to IFRSs 2009

The Company will introduce the new standards, amendments to standards and interpretations on or after January 1, 2010. Adoption of these standards and interpretations is expected to have a limited impact on the consolidated financial statements of Amsterdamse Beheer- en Consultingmaatschappij B.V.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

Use of estimates

The preparation of financial statements requires management to make a number of estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, of revenues and expenses and the disclosure of contingent assets and liabilities. All assumptions, expectations and forecasts used as a basis for certain estimates within these consolidated financial statements represent good-faith assessments of the Company's future performance for which management believes there is a reasonable basis. These estimates and assumptions represent the Company's view at the times they are made, and only then. They involve risks, uncertainties and other factors that could cause the Company's actual future results, performance and achievements to differ materially from those forecasted. The estimates, assumptions and judgments that management considers most critical relate to:

Purchase Price Allocation

ABC and its subsidiaries applied purchase price allocation in accordance with IFRS 3 Business Combinations in several past acquisitions. The fair values allocated to the individual identified assets are based on management's estimates of the replacement value of the assets. The intangibles are valued using management's estimates of future cash flows and operating results of the Company.

Impairment of Goodwill

The Company determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the 'value in use' of the cash-generating units to which the goodwill is allocated. Estimating a value in use requires management to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4. NET FINANCIAL INCOME AND EXPENSE

	2009	2008
Interest expense		
Loans and overdrafts financial institutions	(299,023)	(323,955)
Other interest expense	(2,214)	–
	(301,237)	(323,955)
Interest income	1,002	7,255
Other net financial income and expense		
Amortisation funding cost	(17,348)	(17,349)
Fair value gains (losses) on derivative financial instruments	8,115	(124,575)
Commitment fees	(3,577)	(3,733)
	(12,810)	(145,657)
Net financial income (expense)	**(313,045)**	**(462,357)**

Interest expense relates primarily to financial liabilities measured at amortized cost. Other interest income is mainly attributable to the interest on cash and cash equivalents.

Foreign exchange results arising from the purchase of goods for sale or goods and services consumed in the Company's operations are included in cost of sales or in the appropriate element of operating expenses.

5. EMPLOYEE BENEFITS EXPENSE

Total employee benefits expenses	**2009**	**2008**
Wages and salaries	109,180	89,510
Social security costs	13,420	10,249
Pension costs	11,976	10,427
Post-employment benefits other than pensions	–	146
Other	41,292	46,115
Net employee benefits expenses	175,868	156,447

Other employee benefits comprise of temporary external personnel for € 71.6 million (2008: € 48.2 million), other personnel expenses € 22.1 million (2008: € 12.4 million), less capitalised personnel expenses of €52.4 million (2008: € 14.5 million).

The number of employees as per 31 December 2009 of the Company in full time equivalents was 2,257 (2008: 1,916).

6. INCOME TAXES

The subsidiaries of the Company are incorporated in the fiscal unity of Zesko B.V. For financial reporting purposes, its consolidated subsidiaries calculate their respective tax assets, tax liabilities and tax benefits on a consolidated tax return basis.

Deferred income tax expense	**2009**	**2008**
Deferred tax asset	(92)	35,032
Deferred tax liability	36,203	41,583
Total income tax	36,111	76,615

A reconciliation between the statutory tax rates of 25,5% and the Company's effective tax rate is as follows:

		2009		2008
Loss for the period		(141,612)		(300,451)
Computed income tax at statutory rates	25.50%	36,111	25.50%	76,615
Income tax benefit	25.50%	36,111	25.50%	76,615

Income tax recognised in other comprehensive income

	2009			2008		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Cash flow hedges	(36,441)	9,292	(27,149)	–	–	–
		9,292	(27,149)	–	–	–

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities as of 31 December 2009 and 2008 are presented below:

Recognised deferred tax assets and liabilities and movements during the year

	1 January 2008	Recognised in profit or loss	31 December 2008	Recognised in profit or loss	Recognised in other comprehensive income	31 December 2009
Tax loss carry forwards	107,194	3,265	110,459	1,977	–	112,436
Derivative financial instruments	(12,913)	31,767	18,854	(2,069)	9,292	26,077
Deferred tax asset	94,281	35,032	129,313	(92)	9,292	138,513
Property and equipment	10,081	(5,687)	4,394	(8,803)	–	(4,409)
Intangible assets	(535,395)	47,270	(488,125)	45,006	–	(443,119)
Deferred tax liability	(525,314)	41,583	(483,731)	36,203	–	(447,528)
Net deferred tax asset (liability)	(431,033)	76,615	(354,418)	36,111	9,292	(309,015)

To calculate the deferred tax asset and liability a tax rate of 25.5% is used.

As of 31 December 2009, the fiscal unity Zesko B.V. has cumulative tax loss carry forwards of € 1,388.3 million (2008: € 1,203.9 million). A deferred tax asset for the loss carry forwards is recognised of € 250.3 million (2008: € 203.3 million). Based on management's forecasts the Company will show that future profits will compensate these losses carried forward recognised on the balance sheet. Tax planning opportunities are available to realise the tax loss carry forward positions within the nine year carry forward period. Subsequently deferred tax assets have not been recognised for an amount of € 103.7 million (2008: € 103.7 million) because it is not likely that future taxable profit will be available before the tax losses can be utilised. The related tax loss carry forwards amount to € 406.7 million and mature in 2011.

7. PROPERTY AND EQUIPMENT

The components of property and equipments are as follows:

	Network	Land	Other	Assets under construction	Total
At 1 January 2008					
Cost	1,730,555	1,507	61,319	165,424	1,958,805
Accumulated depreciation	(289,092)	–	(20,486)	–	(309,578)
Net carrying amount	1,441,463	1,507	40,833	165,424	1,649,227
At year end 2008					
Additions	165,673	1,141	4,746	77,731	249,291
Depreciation charge for the year	(245,421)	–	(6,678)	–	(252,099)
Total changes 2008	(79,748)	1,141	(1,932)	77,731	(2,808)
At 31 December 2008					
Cost	1,896,228	2,648	66,065	243,155	2,208,096
Accumulated depreciation	(534,513)	–	(27,164)	–	(561,677)
Net carrying amount	1,361,715	2,648	38,901	243,155	1,646,419
Reclassification – cost	2,060,901	–	8,149	–	2,069,050
Reclassification – accumulated depreciation	(2,068,332)	–	(14,323)	–	(2,082,655)
Additions – net	172,298	–	18,279	(11,975)	178,602
Depreciation charge for the year	(251,160)	–	(10,592)	–	(261,752)
Total changes 2009	(86,293)	–	1,513	(11,975)	(96,755)
At 31 December 2009					
Cost	4,129,427	2,648	92,493	231,180	4,455,748
Accumulated depreciation	(2,854,005)	–	(52,079)	–	(2,906,084)
Net carrying amount	1,275,422	2,648	40,414	231,180	1,549,664

In both 2009 and 2008 the Company did not recognise impairment charges nor did it reverse impairment charges of assets previously impaired.

Assets under construction relates to the integration of the Company's business support system and operational support system and the integration and expansion of the Company's network and IT-infrastructure. Included in assets under construction is software, which is recognised as intangible asset once in use.

The additions to network include capitalised borrowing cost of € 3.4 million (2008: € 11.2 million). Generally, the capitalisation rate used to determine the amount of capitalised borrowing costs is a weighted average of the interest rate applicable. For 2009 an interest rate applied of 5.89% (2008: 8.86%).

Mortgages on all registered properties, related movable assets and the network related elements have been established under the senior credit facilities and the mezzanine credit facilities as explained in Note 15.

The useful life of the assets is as follows:

	Useful lives
Network active (headend, local network)	10 - 12 years
Network passive (backbone)	12 - 20 years
Network equipment (IP and datacom equipment)	5 years
Other	3 - 20 years

There are no contractual commitments for the acquisition of any property and equipment.

8. INTANGIBLES ASSETS

	Goodwill	**Customer lists**	**Trade names**	**Software**	**Total**
At 1 January, 2008					
At cost	1,767,068	2,296,305	34,800	74,856	4,173,029
Accumulated depreciation	–	(207,606)	(25,461)	(42,729)	(275,796)
Net carrying amount	1,767,068	2,088,699	9,339	32,127	3,897,233
Additions	–	22,048	–	11,605	33,653
Amortisation for the year	–	(174,712)	(9,339)	(28,399)	(212,450)
Total changes 2008	–	(152,664)	(9,339)	(16,794)	(178,797)
At 31 December, 2008					
At cost	1,767,068	2,318,353	34,800	86,461	4,206,682
Accumulated depreciation	–	(382,318)	(34,800)	(71,128)	(488,246)
Net carrying amount	1,767,068	1,936,035	–	15,333	3,718,436
Reclassification – cost	–	81,164	–	66,229	147,393
Reclassification – accumulated depreciation	–	(75,279)	–	(58,509)	(133,788)
Additions	–	1,445	–	75,062	76,507
Amortisation for the year	–	(180,912)	–	(34,576)	(215,488)
Total changes 2009	–	(173,582)	–	48,206	(125,376)
At 31 December, 2009					
At cost	1,767,068	2,400,962	34,800	227,752	4,430,582
Accumulated depreciation	–	(638,509)	(34,800)	(164,213)	(837,522)
Net carrying amount	1,767,068	1,762,453	–	63,539	3,593,060

In 2008 former operating companies Multikabel, Casema and @Home merged into Ziggo. As a result of the merger Ziggo integrated these businesses and consequently one cash generating unit remains. All goodwill acquired through business combinations has been allocated for impairment testing to the cash-generating unit at which management monitors the operating results.

Value in use calculations use cash flow projections covering a maximum period of five years that are based on three-year financial budgets approved by Company management. Cash flows beyond this three year period are extrapolated using estimated growth rates that do not exceed the long-term average growth rate and are consistent with forecasts included in industry reports. The value in use calculated in the goodwill impairment test exceeded the carrying amount of the cash generating unit Ziggo and consequently no impairment was recognised. The discount rate used for the 2009 assessment is 7.0%, whereas the discount rate for 2008 was 9.42%.

The calculation of the value in use is most sensitive to the key assumptions set out below.

Cash Flow – Main drivers within free cash flow are revenues, costs and capital expenditure levels. Estimates are made based on historic growth numbers and expected future growth and related costs and capital expenditures. These estimates are based on expected market penetration levels for revenues.

Discount rates – Discount rates reflect management's estimate of the specific risks. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals. In this estimate management also took into account the average cost of capital both from a bank facility and shareholder perspective.

Growth rate estimate – The growth rates applied are on a gross basis (not adjusted for inflation) and reflect historic growth numbers and current market developments. Years beyond the budgeted period are extrapolated using for conservative purposes a lower growth rate than the last budgeted year.

With regard to the assessment of value in use of goodwill, management believes that no reasonably possible change in any of the above key assumptions would cause a materially impact on the value in use calculation and a subsequent adjustment of the carrying amount of goodwill.

The customer lists are valued at cost and amortised in 12 - 14 years as far as they are related to residential customers and amortised in 13 years as far as they are related to business customers, using the straight line method over their economic useful lives. Software is amortised in 3 years using the straight line method over their economically useful lives.

9. FINANCIAL ASSETS

Financial assets consist of loans to personnel of € 87 (2008: € 178) and long term prepaid expenses (related to information technology contracts) for € 281 (2008: € 721).

10. INVENTORIES

	31 December 2009	31 December 2008
Equipment and cables	8,027	6,196
Customer premises equipment	6,684	3,252
Set-top boxes	11,089	3,744
Other	–	786
Allowance for obsolete stock	(258)	–
Total Inventories	25,542	13,978

11. TRADE ACCOUNTS RECEIVABLE

	31 December 2009	31 December 2008
Trade accounts receivable – gross	57,896	54,319
Allowance for doubtful accounts	(14,304)	(5,600)
Trade accounts receivable – net	43,592	48,719

Allowances are calculated on an individual basis, and on a portfolio basis for groups of receivables that are not individually identified as impaired. The allowance for doubtful accounts reflects management's best estimate of probable losses inherent in the account receivable balance, based on known troubled accounts, historical experience by kind of trade debtor and other currently available evidence.

The movements in the allowances for doubtful accounts during the year 2009 can be explained as follows:

	2009	2008
At 1 January	5,600	12,409
Additions	11,643	4,707
Used	(2,939)	(11,516)
At 31 December	14,304	5,600

A pledge has been given on all receivables as mentioned in Note 15.

Trade accounts receivables are non interest-bearing and are generally due on 30 days' terms.

12. OTHER CURRENT ASSETS

	31 December 2009	31 December 2008
Costs paid in advance	13,470	10,786
Deposits	–	94
Credit notes to receive	–	61
Income to be invoiced	13,656	18,257
Other receivables	58	904
Total current assets	27,184	30,102

13. CASH AND CASH EQUIVALENTS

	31 December 2009	31 December 2008
Bank accounts	65,271	42,536
Cash	–	5
Total cash and cash equivalents	65,271	42,541

All cash within the Company is held within bank accounts and earn interest at floating rates based on daily bank deposit rates.

A pledge has been given on the accounts of the Company as mentioned in Note 15.

14. SHAREHOLDER'S EQUITY

The Company is incorporated as a private limited liability Company under Dutch law. Its registered capital fully consist of ordinary shares. The authorised capital is 40,000 shares of € 500 per share.

Other reserves represents the cash flow hedge reserve, which is a legal reserve.

15. LOANS FROM FINANCIAL INSTITUTIONS

	31 December 2009	31 December 2008
Credit agreements (senior loan & mezzanine)	3,814,610	3,920,775
Funding costs	(102,568)	(119,916)
Total loans	3,712,042	3,800,859
Financial leases	–	424
	3,712,042	**3,801,283**

The average percentage of the total borrowings, is 4.783% in addition to EURIBOR (2008: 4.655%). Funding costs are amortised over the lifetime of the underlying facility and are included in depreciation and amortisation in the income statement.

The current credit agreement relates to both the acquisitions of Casema in 2006 and the acquisition of @Home in 2007. The total is divided in the following tranches and facilities:

	Interest rate	Maturity	Casema	@Home	31-Dec-09	31-Dec-08
Senior Loan						
Facility A	EURIBOR +2.00%	*)	90,725	114,525	205,250	365,250
Facility B	EURIBOR +2.50%	2014	625,000	475,000	1,100,000	1,100,000
Facility C	EURIBOR +3.00%	2015	625,000	475,000	1,100,000	1,100,000
Facility D	EURIBOR +4.25%	2016	150,000	100,000	250,000	250,000
Total Senior Loan			1,490,725	1,164,525	2,655,250	2,815,250
Mezzanine Facility						
Principal loan amount	EURIBOR +9.25%	2016	475,000	525,000	1,000,000	1,000,000
Capitalised interest			73,217	66,290	139,507	68,758
Accrued Interest			7,841	12,012	19,853	36,767
Total Mezzanine			556,058	603,302	1,159,360	1,105,525
Total loan			**2,046,783**	**1,767,827**	**3,814,610**	**3,920,775**
Funding costs			(52,978)	(49,590)	(102,568)	(119,916)
Total long term			**1,993,805**	**1,718,237**	**3,712,042**	**3,800,859**

*) For the repayment schedule of the Facility A: see the repayment schedule as set out below.

The other facilities are repayable upon maturity.

Senior loan, Facility A

Under both the loan terms the Company is required to repay the Facility A loan in several instalments. The Company is allowed to prepay any future instalments. In case prepayments are made, these will be deducted from any future repayments, thus reducing short term repayment obligations.

The Company has made repayments in 2009 for a total of € 160.000. The repayment has been distributed over both the Casema (€ 70,723) and Kabelcom loan(€ 89,277). The applicable repayment schedule after this repayment is set out below:

	Percentage of initial amount	
Repayment date	**Casema Term A**	**Kabelcom Term A**
31-mrt-12	8%	6%
30-sep-12	7.87%	6%
31-mrt-13	12.30%	14.72%
13-sep-13	12.30%	14.72%

Any amount of any A term loan still outstanding on the final maturity date must be repaid on that date.

Mezzanine facilities

The interest rate of both mezzanine facilities (EURIBOR+9.25%) consist of a cash interest and a non-cash interest component. The non-cash interest component (PIK-interest) of 4.75% will be capitalised at the end of each six month period and will be added to the outstanding principal amount. From that date the non-cash interest component will be treated as part of the principal amount be accrued to the loan and repaid in full upon maturity of the loan.

Prepayment

On certain occasions prepayment of part or all of the drawn facilities is mandatory. For example the occurrence of a change in control or the sale of all or substantially all of the assets of the Company will lead to a cancellation of the facilities and all outstanding utilisations and ancillary outstandings, together with accrued interest shall become immediately due and payable.

Securitisation

The total credit facility (senior loan and mezzanine facility) are secured over the Company's tangible assets as follows:

- Mortgage on all registered properties, related movable assets, the network related elements, and the claims
- Pledges on all bank accounts, intellectual property rights, receivables and movable assets.

Funding costs

Costs associated with the drawing of the facilities are subtracted from the loan and amortised over the period of the different facilities. Given that no new facilities were drawn and no drawings were made under existing facilities in 2009 no funding costs apply for 2009 and 2008.

Revolving and capital expenditure restructuring facility

In addition to the senior and mezzanine loans the Company has a revolving facility of € 150.0 million a capital expenditure restructuring facility of € 250.0 million. During the year 2009 there were no drawings under these facilities. The Company pays an annual fee for the availability of the facilities.

Financial leases

The company has no financial lease obligations at year end 2009 (2008: € 424).

16. PROVISIONS

	Restructuring	Legal claims	Other	Total
At 31 December 2007	12,150	15,534	2,024	29,708
Arising during the year	9	1,139	–	1,148
Release during the year	–	(4,693)	–	(4,693)
Utilisation	(7,038)	–	(24)	(7,062)
At 31 December 2008	5,121	11,980	2,000	19,101
Current	28	11,980	2,000	14,008
Non-current	5,093	–	–	5,093

At 31 December 2008	5,121	11,980	2,000	19,101
Additions (including interest cost)	9,694	720	146	10,560
Usage	(3,258)	(408)	(541)	(4,207)
Released	(1,760)	–	–	(1,760)
At 31 December 2009	9,797	12,292	1,605	23,694
Current	9,797	12,292	1,605	23,694
Non-current	–	–	–	–
At 31 December 2009	9,797	12,292	1,605	23,694

Restructuring provision

In 2007, the Company entered into an agreement with the Works Council for a social plan with respect to the restructuring of the head-office organisation resulting in a reduction of workforces. Management approved a detailed and formal restructuring plan and the restructuring was announced to the parties concerned. The restructuring plan was executed in 2008 and 2009. Employees were able to apply for the social plan until the end of 2009. The number of employees that applied exceeded management's initial expectation and consequently the restructuring provision was increased in 2009.

Provision for legal claims

The Company has recognised a provision for disputes with a limited number of municipals on the exploitation of the network. Usage of the provision relates to the settlement in 2009 with one municipal. The addition to the legal claims is interest cost recognised as other interest expense within financial income and expense.

Other provisions

The other provision in the amount of € 1.0 million relates to a transfer tax claim of a predecessor of CAI Oosterhout B.V. (a subsidiary of former Casema B.V.) and € 0.6 million relates to legalisation of the network. Both matters are expected to be settled in 2010.

17. OTHER CURRENT LIABILITIES

Other current liabilities comprise of the following:

	31 December 2009	**31 December 2008**
Accrued expenses	70,744	90,693
Taxes and Social Security	19,613	8,077
Provisions – current	23,694	14,008
Accrued interest	1,561	2,737
Holiday allowance	5,182	10,649
Bonuses to personnel	5,983	3,389
Pension contribution	838	426
Other	1,987	3,595
Total	129,602	133,574

Taxes and social security include wage tax and value added tax payable. For provisions reference is made to Note 16.

18. COMMITMENTS AND CONTINGENCIES

Lease commitments

The Company leases buildings, certain office equipment and vehicles and entered into various maintenance and support contracts for the support on mainly network equipment. Lease terms generally range from three to five years with the option to renew at varying terms. Lease commitments for the coming 2009 years are mentioned in the following schedule:

	Buildings	**Other contracts**	**2009**	**2008**
2009	–	–	–	14,514
2010	8,106	6,436	14,542	11,965
2011	8,002	4,951	12,953	12,864

2012	8,173	3,890	12,063	12,470
2013	8,311	2,702	11,013	12,350
2014	8,462	585	9,047	52
Total	41,054	18,564	59,618	64,215

Purchase commitments

The company enters into purchase commitments in the ordinary course of business, which however are not material.

Legal proceedings

The Company is involved in a number of legal proceedings. The legal proceedings may result in liability material to the Company's financial condition, results of operations, or cash flows. The Company may enter into discussions regarding settlement of these proceedings, and may enter into settlement agreements, if it believes settlement is in the best interests of the Company. In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", the Company has recognized provisions with respect to these proceedings, where appropriate, which are reflected in the consolidated balance sheet.

19. RELATED PARTY DISCLOSURES

Identification of related parties

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party making financial or operational decisions. The related parties comprise associated companies, key-management personnel and close family members of related parties.

Transactions and positions

In total € 0.5 million (2008: € 0.7 million) of management fee has been charged by the ultimate shareholders to the Company.

In the normal course of business, ABC B.V. and its subsidiaries maintain various types of ordinary business with related parties (mainly as a provider of internet, television and telephony services). These transactions are not considered material to the Company, either individually or in the aggregate.

Remuneration of the Corporate Executive Board of the Company

The aggregated remuneration of the Corporate Executive Board members B.E. Dijkhuizen, W.R. Blom and M.J. Nijhoff can be specified as follows:

	2009	**2008**
Wages and salaries	1,090	935
Bonus payments	350	700
Social security costs	18	19
Pension costs	176	141
Total	1,634	1,795

Remuneration of the Supervisory Board of the Company

The Company was charged for the remuneration of two Supervisory Board members in the amount of € 122 (2008: € 176).

20. FINANCIAL RISKS

The Company's principal financial instruments – other than derivatives – comprise bank loans and overdrafts, cash and short-term deposits and trade receivables.

Credit risk

The credit risk on trade accounts receivables by customer is considered to be low as a result of the large and diverse nature of the Company's customer base and the relatively small receivables as per customer.

The analyses of the ageing of the trade accounts receivables can be explained as follows:

		Not due	Past due, but not impaired				
	Total	<30 days	30-60 days	60-90 days	90-180 days	180-365 days	>365 days
2009	43,593	24,724	3,308	2,653	6,190	6,537	180
2008	48,719	24,481	4,713	4,753	7,954	5,351	1,467

The Company's maximum exposure to credit risk in the event the counterparty fails to perform their obligations in relation to each class of recognised financial asset, including derivatives, is the carrying amount of those assets in the balance sheet.

Liquidity risk

The Company manages its liquidity risk on a consolidated basis with cash provided from operating activities being a primary source of liquidity. The Company manages short-term liquidity based on projected cash flows over rolling periods of six months.

Based on the current operating performance and liquidity position, the Company believes that cash provided by operating activities and available cash balances will be sufficient for working capital, capital expenditures, interest payments, dividends and scheduled debt repayment requirements for the next 12 months and the foreseeable future.

The table below summarises the maturity profile of the Company's financial liabilities:

31 December, 2009	Carrying amount	Contractual cash flows	January-March 2010	April-December 2010	2011	2012 - 2014	After 2014
Non – derivative financial liabilities							
Credit agreements	3,814,610	(5,155,266)	(35,584)	(109,791)	(148,204)	(1,749,101)	(3,112,586)
Trade accounts payable	102,951	(102,951)	(102,951)	–	–	–	–
Derivative financial liabilities							
Interest rate swaps used for hedging	102,261	(219,054)	(24,012)	(61,368)	(67,960)	(65,714)	–
	4,019,822	(5,477,272)	(162,547)	(171,159)	(216,164)	(1,814,815)	(3,112,586)

31 December, 2008	Carrying amount	Contractual cash flows	January-March 2009	April-December 2009	2010	2011 - 2013	After 2013
Non – derivative financial liabilities							
Credit agreements	3,920,775	(6,031,747)	(56,943)	(175,456)	(245,945)	(1,073,207)	(4,480,197)
Financial lease liabilities	424	(451)	(309)	(142)	–	–	–
Trade accounts payable	60,242	(60,242)	(60,242)	–	–	–	–
Derivative financial liabilities							
Interest rate swaps used for hedging	73,935	(131,993)	(12,037)	(61,247)	(24,178)	(32,816)	(1,715)
	4,055,376	(6,224,433)	(129,531)	(236,845)	(270,122)	(1,106,022)	(4,481,912)

Market risk

The Company is exposed to market risks, including interest rates and foreign currency exchange rate risks, associated with underlying assets, liabilities and anticipated transactions. Based on the analysis of these exposures, the Company, selectively enters into derivatives to manage the related risk exposures.

Interest rate risk

Exposure to the risk of changes in the market interest rates relates primarily to the Company's long-term debt obligations with a (partly) floating interest rate. The Company manages its exposure to changes in interest rates and its overall cost of financing by using interest rate swap (IRS) agreements. They are used to transform the interest rate exposure on the underlying liability from a floating interest rate to a fixed interest rate. It is the Company's policy to keep at least 50% of its borrowings at fixed rates of interest.

The net interest rate risk can be explained as follows:

	31 December 2009	31 December 2008
Notional Amount Borrowing (floating)	(3,814,610)	(3,920,775)
Cash (floating) & Deposits (floating and/or fixed)	65,271	42,486
Notional Amount IRS (fixed)	2,838,000	2,961,750
Net Interest Rate Risk	(911,339)	(916,539)

At 31 December 2009, after taking into account the effect of interest rate swaps, approximately 74% of the Company's borrowings are at a fixed rate of interest (2008: 76%).

Sensitivity analyses interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's result before tax (through the impact on floating rate borrowings). There is no impact on the Company's equity.

	31 December 2009	31 December 2008
Increase / decrease in basis points		
+20bp	(1,823)	(1,795)
+10bp	(911)	(897)
−10bp	911	897
−20bp	1,823	1,795

Foreign currency risk

The Company also has transactional currency exposures arising from purchases in USD. Due to the limited exposure, there are no hedge contracts entered into to mitigate this risk.

The breakdown of the net foreign currency exposure of the USD amounts to € 10.4 million in (2008: € 0.6 million) and relates to the net amount of cash & cash equivalents and trade accounts payable.

Capital management

The financing of Multikabel, Casema and @Home were done through equity and debt syndication in the balance of about 30% to 70% respectively. The primary object of the Company's capital management is to ensure that the covenants agreed upon with the lenders of the credit agreement (senior loan & mezzanine) will be met and an optimal debt to equity ratio is reached taking into account the Company's liabilities. No changes were made in the objectives, policies or processes during the years ending 31 December 2009 and 31 December 2008.

The Company needs to comply on a quarterly basis with covenants set by the lenders of the senior and mezzanine loans. These covenants are the interest coverage ratio, net leverage ratio and the fixed charge coverage ratio. These financial covenants were all met during the years 2009 and 2008.

21. FINANCIAL INSTRUMENTS

Fair values

Set out below is a comparison by category of carrying amounts and fair values of all of the Company's financial instruments that are carried in the financial statements.

	Carrying amount		Fair value	
	31 December, 2009	31 December, 2008	31 December, 2009	31 December, 2008
Financial assets				
Cash & cash equivalents	65,271	42,400	65,271	42,486
Financial liabilities (− = credit amount)				
Interest rate swap	(102,261)	(73,935)	(102,261)	(73,935)
Interest bearing loans third party	(3,814,610)	(3,920,775)	(3,715,849)	(3,445,629)

Hedging activities

At 31 December 2009, the Company entered into interest rate swap (IRS) agreements with a total notional amount of € 2,838.0 million (2008: € 2,961.8 million) whereby it pays a fixed rate of interest (between 3.55% and 3.84%) and receives a variable rate equal to EURIBOR on the notional amount. These IRS agreements are being used to reduce the exposure to changes in the variable Euribor rates on the outstanding loan portfolio of € 3,814.6 million (2008: € 3,920.8 million). The notional amounts of the IRS contracts will be reduced in line with the repayment schedule on the loan portfolio (currently last IRS matures in 2014). In addition the Company entered into basis swaps agreements with a total notional amount of € 1,398.8 million in order to match the Euribor in the facility agreement.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 December, 2009	Level 1	Level 2	Level 3	Total
Available for sale financial assets	–	–	–	–
Financial assets designated at fair value through profit or loss	–	–	–	–
Financial assets held for trading	–	–	–	–
Derivative financial assets	–	–	–	–
	–	–	–	–
Derivative financial liabilities	–	102,261	–	102,261
	–	(102,261)	–	(102,261)

31 December, 2008	Level 1	Level 2	Level 3	Total
Available for sale financial assets	–	–	–	–
Financial assets designated at fair value through profit or loss	–	–	–	–
Financial assets held for trading	–	–	–	–
Derivative financial assets	–	–	–	–
Derivative financial liabilities	–	73,925	–	73,925
	–	(73,925)	–	(73,925)

The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade ratings. The calculation of the fair value for derivative instruments depends on the type of instrument. Derivative interest rate contracts (interest rate swaps) are estimated by discounting expected future cash flows using market interest rates and yield curve over the remaining term of the instrument.

During the years 2009 and 2008 there have been no changes in the valuation method of the financial instruments of the Company.

22. GROUP COMPANIES

GROUP COMPANIES OF ABC

The following are ABC's significant subsidiaries as of December 31, 2009. Unless otherwise indicated, these are wholly owned subsidiaries. Subsidiaries not important to providing an insight into the group as required under Dutch law are omitted from this list.

With respect to the separate financial statements of a number of legal entities included in the consolidation, the Company availed itself of the exemption laid down in section 403, subsection 1 of Book 2 of the Netherlands Civil Code. Pursuant to this section, the Company has issued declarations of assumption of liability for its subsidiaries. These companies are marked with a * in the following table.

Christina Beheer- en Adviesmaatschappij B.V., Amsterdam, The Netherlands *
Serpering Investments B.V., Amsterdam, The Netherlands *
Plinius Investments II B.V., Amsterdam, The Netherlands *
Torenspits II B.V., Amsterdam, The Netherlands *
Ziggo Holding B.V., Groningen, The Netherlands *
Ziggo B.V., Groningen, The Netherlands *
Ziggo Netwerk B.V., Groningen, The Netherlands *
TeleCai Den Haag B.V., Den Haag, The Netherlands *

23. SUBSEQUENT EVENTS

On 22 March, 2009 the Company announced that it intends to issue a bond and replace the current Mezzanine loan. The Company expects -given the current market – to issue the bond at a lower interest rate compared to the interest charged for the Mezzanine loan. Issuance of the bond is planned to be completed by mid April 2010. Furthermore, it has mandated Goldman Sachs and Credit Suisse as joint book runners for the bond issue.

PARENT COMPANY FINANCIAL STATEMENTS

INCOME STATEMENT

Amounts in thousands of euro	Note	2009	2008
Result investments	4	(168,409)	(260,853)
Profit (loss) after income taxes		62,908	37,017
Net loss		(105,501)	(223,836)

BALANCE SHEET

As per 31December 2009, before appropriation of current year result.

Amounts in thousands of euro	Note	2009	2008
ASSETS			
Loans receivable related party	3	1,861,772	1,709,714
Deferred tax receivable		26,078	18,854
Total non-current assets		1,887,850	1,728,568
Accounts receivable		–	16
Other current assets	4	323,691	50,579
Cash and cash equivalents		8	90
Total current assets		323,699	50,685
TOTAL ASSETS		**2,211,549**	**1,779,253**
EQUITY AND LIABILITIES			
Issued share capital		9,813	9,813
Share premium		1,394,953	1,394,953
Other reserves		(27,149)	–
Retained earnings		(430,501)	(206,665)
Net income (loss) for the period		(105,501)	(223,836)
Equity attributable to equity holders	5	841,615	974,265
Provision for the net capital deficiency of investments	6	796,111	627,702
Derivative financial instruments		102,261	73,935
Deffered income tax liability		98,426	79,256
Total non-current liabilities		996,798	780,893
Banks and bank overdrafts		–	17,817
Other current liabilities	7	373,136	6,278
Total non-current liabilities		373,136	24,095
TOTAL EQUITY AND LIABILITIES		**2,211,549**	**1,779,253**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Amsterdamse Beheer- en Consultingmaatschappij B.V. is the holding company of several entities in the Netherlands as mentioned in Note 22 of the consolidated financial statements. The principal activities of the Company are to participate in, to finance or to have any other interest in, or to conduct the management of, other companies and enterprises. The Company is the owner and operator of a broadband cable network in The Netherlands. The subsidiary Ziggo B.V. offers analogue and digital radio and television, broadband internet and telephony services in The Netherlands to 3.2 million households.

Amsterdamse Beheer en Consultingmaatschappij B.V. is a private limited company having its corporate seat in Amsterdam, The Netherlands and is wholly owned by Zesko B.V., The Netherlands.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The parent company financial statements of Amsterdamse Beheer- en Consultingmaatschappij BV. have been prepared in accordance with Part 9, Book 2 of the Netherlands Civil Code. In accordance with subsection 8 of section 362, Book 2 of the Netherlands Civil Code, the measurement principles applied in these parent company financial statements are the same as those applied in the consolidated financial statements (see Note 1 to the consolidated financial statements). This means that the principles for recognition and measurement of assets and liabilities and determination of the result of the Company are the same as those applied for the consolidated financial statements.

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) laid down by the International Accounting Standards Board and adopted by the European Union. The accounting policies applied in the parent company financial statements are the same as those applied in the consolidated financial statements. Reference is made to Note 2 of the consolidated financial statements for a description of these principles.

The parent company financial statements are presented in thousands of Euros (€) except when otherwise indicated.

As the financial data Amsterdamse Beheer- en Consultingmaatschappij B.V. (the parent company) are included in the consolidated financial statements, the income statement in the parent company financial statements is presented in condensed form (in accordance with section 402, Book 2 of the Netherlands Civil Code).

Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries are accounted for using the net equity value Amsterdamse Beheer- en Consultingmaatschappij B.V. calculates the net equity value using the accounting policies as described in Note 2 to the consolidated financial statements. The net equity value of subsidiaries comprises the cost, excluding goodwill, of Amsterdamse Beheer- en Consultingmaatschappij B.V.'s share in the net assets of the subsidiary, plus the share in income or losses since acquisition, less dividends received. In case the net equity value is negative and the Company is liability for the deficit of the subsidiary the carrying amount is presented as "Provision for the net capital deficiency of investments".

3. LOANS RECEIVABLE RELATED PARTY

	31 December, 2009	31 December, 2008
Christina Beheer- en Adviesmaatschappij B.V.	663,980	622,363
Serpering Investments B.V.	117,814	106,961
Torenspits II B.V.	1,079,978	980,390
	1,861,772	1,709,714

The company granted a loan to its subsidiary Christina Beheer- en Adviesmaatschappij B.V. An amount of € bears an interest rate of 14.125%. The other part of the loan bears an interest rate which is equal to the weighted average rate of interest applicable to the € 2.1 billion loan that has been drawn on 13 September 2006 (see Note 15 to the consolidate financial statements).

The loan to subsidiary Serpering Investments B.V. bears an interest of 10.16% per annum.

On 30 January 2007 ABC granted a shareholder's loans to Torenspits II B.V. The rate of interest applicable is 10.16% per annum.

The maturity date of all three loans is 30 January 2016. The borrowers may repay these loans or any part of it earlier than 30 January 2016 without penalty.

Interest not paid is added to the loan and will become interest bearing.

4. OTHER CURRENT ASSETS

	31 December 2009	31 December 2008
Christina Beheer- en Adviesmaatschappij B.V.	440	38,473
Serpering Investment B.V.	124,961	–
Plinius investments II B.V.	197,765	–
Torenspits II B.V.	525	–
Ziggo B.V.	–	12,106
Net intercompany account	323,691	50,579

5. SHAREHOLDER'S EQUITY

The Company is incorporated as a private limited liability company under Dutch law. Its' registered capital fully consists of ordinary shares.

Amounts in thousands of euro	31 December 2009	31 December 2008
Authorised capital		
Ordinary shares 40,000 of €500 each	20,000	20,000
Issued and fully paid (19,625 shares)	9,813	9,813
Share premium	1,394,953	1,394,953
Other reserves	(27,149)	–
Retained earnings	(430,501)	(206,665)
Net income (loss) for the period	(105,501)	(223,836)
Total	841,615	974,265

Other reserves relate to the cash flow hedge reserve, which is a legal reserve.

6. PROVISION FOR THE NET CAPITAL DEFICIENCY OF INVESTMENTS

Amounts in thousands of Euro	2009	2008
Opening Balance at 1 January	627,702	366,849
Result investments	168,409	260,853
Closing Balance at 31 December	796,111	627,702

As at 31 December 2009 the Company is the sole shareholder of:

Christina Beheer- en Adviesmaatschappij B.V.
Serpering Investments B.V.
Torenspits II B.V.

Equity of all three subsidiaries is negative, consequently the investments are presented within "Provision for the net capital deficiency of investments".

7. OTHER CURRENT LIABILITIES

	31 December 2009	31 December 2008
Serpering Investments B.V.	–	3,840
Ziggo B.V.	372,623	–
Net intercompany account	372,623	3,840
Other current liabilities	513	2,438
	373,136	6,278

8. RELATED PARTY DISCLOSURES

Identification of related parties

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party making financial or operational decisions. The related parties comprise associated companies, key-management personnel and close family members of related parties.

Transactions and positions

In the normal course of business, Amsterdamse Beheer- en Consultingmaatschappij B.V. maintains various types of ordinary business with related parties (mainly as a provider of internet, television and telephony services). These transactions are not considered material to Amsterdamse Beheer- en Consultingmaatschappij B.V., either individually or in the aggregate.

Remuneration

For the remuneration of the Board members reference is made to Note 19 in the consolidated financial statements.

9. SUBSEQUENT EVENTS

On 22 March, 2009 the Company announced that it intends to issue a bond and replace the current Mezzanine loan. The Company expects – given the current market – to issue the bond at a lower interest rate compared to the interest charged for the Mezzanine loan. Issuance of the bond is planned to be completed by mid April 2010. Furthermore, it has mandated Goldman Sachs and Credit Suisse as joint book runners for the bond issue.

10. AUDITOR FEES

Expenses for services provided by the Company's independent auditor, Ernst & Young and its member firms and/or affiliates to Amsterdamse Beheer- en Consultingmaatschappij B.V. and its subsidiaries can be specified as follows:

Amounts in thousands of Euro	2009	2008
Audit fees	300	260
Audit-related fees	125	173
Other non-audit fees	206	155
Total	631	588

APPROPRIATION OF RESULT

The articles of association of the Company state that the distributable profits are at the disposal of the General Meeting of Shareholders for distribution of dividend or in order to be added to the reserves or for such other purposes within the Company's objects as the meeting shall decide.

It is proposed to add the result for the year 2009, which is a loss of € 105,501 to the retained earnings.

AUDITOR'S REPORT

To: the shareholders of Amsterdamse Beheer- en Consultingmaatschappij B.V.

Report on the financial statements

We have audited the accompanying financial statements 2008 of Amsterdamse Beheer- en Consultingmaatschappij B.V., Amsterdam. The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2008, the consolidated income statement, the consolidated income statement, the consolidated statement of changes in group equity and consolidated cash flow statement for the year then ended, and the notes to the consolidated financial statements. The company financial statements comprise the company balance sheet as at 31 December 2008, the company income statement for the year then ended and the notes to the company financial statements.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the directors report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Amsterdamse Beheer- en Consultingmaatschappij B.V. as at 31 December 2008, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Amsterdamse Beheer- en Consultingmaatschappij B.V. as at 31 December 2008, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amsterdam, 29 April 2009

Ernst & Young Accountants LLP

Signed by:

F.J. Blenderman

CONSOLIDATED INCOME STATEMENT

For the years ended 31 December

Amounts in thousands of euro	Note	2008	2007
Total Revenues		1,238,613	1,093,906
Cost of goods sold		200,764	161,636
Personnel	7	156,447	162,849
Contracted work		57,933	56,907
Materials & logistics		46,347	28,981
Marketing & sales		46,674	43,646
Office expense		76,192	65,422
Other operating expenses		27,801	29,803
Depreciation and amortisation	5	481,898	494,597
Total operating expenses		1,094,056	1,043,841
Operating profit		144,557	50,065
Net financial income and expense	6	445,008	272,688
Share of the profit (loss) of associates		–	(8)
Loss before income taxes		(300,451)	(222,631)
Income tax benefit	8	76,615	60,694
Net loss		(223,836)	(161,937)
Attributable to equity holders of the parent		(223,836)	(161,937)

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

CONSOLIDATED BALANCE SHEET

As at 31 December, before appropriation of current year result

Amounts in thousands of euro	Note	2008	2007
ASSETS			
Property and equipment	9	1,646,419	1,649,227
Intangible assets	10	3,718,436	3,897,233
Other financial assets	11	899	50,976
Deferred income tax asset	8	110,460	107,194
Total non-current assets		5,476,214	5,704,630
Inventories	12	13,978	12,956
Trade accounts receivable	13	48,719	33,451
Other current assets	14	30,102	10,847
Cash and cash equivalents	15	42,541	121,748
Total current assets		135,340	179,002
TOTAL ASSETS		**5,611,554**	**5,883,632**
EQUITY AND LIABILITIES			
Issued share capital		9,813	9,813
Share premium		1,394,953	1,394,953
Retained earnings		(206,665)	(44,728)
Net income (loss) for the period		(223,836)	(161,937)
Equity attributable to equity holders		974,265	1,198,101
Loans from financial institutions	17	3,801,283	3,832,504
Derivative financial instruments	23	73,935	–
Provisions	18	5,093	3,078
Deferred income tax liability	8	464,878	537,979
Total non-current liabilities		4,345,189	4,373,561
Trade accounts payable		60,242	115,233
Deferred revenue		97,407	43,789
Loan repayable	17	877	29,176
Bank overdrafts		–	3,249
Other current liabilities	19	133,574	120,523
Total current liabilities		292,100	311,970
TOTAL EQUITY AND LIABILITIES		**5,611,554**	**5,883,632**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in thousands of euro	Issued capital	Share premium	Retained earnings	Net income (loss)	Total equity
Balance at 31 December 2006	9,813	615,802	(2,027)	(42,701)	580,887
Additional capital contribution	–	779,151	–	–	779,151
Appropriation of net loss	–	–	(42,701)	42,701	–
Net loss for the year 2007	–	–	–	(161,937)	(161,937)
Balance at 31 December 2007	9,813	1,394,953	(44,728)	(161,937)	1,198,101
Appropriation of net loss	–	–	(161,937)	161,937	–
Net loss for the year 2008	–	–	–	(223,836)	(223,836))
Balance at 31 December 2008	9,813	1,394,953	(206,665)	(223,836)	974,265

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

CONSOLIDATED CASH FLOW STATEMENT

Amounts in thousands of euro	Note	2008	2007
Operating activities			
Operating income		144,557	50,065
Adjustments to reconcile operating profit to net cash flow			
Non Cash			
Depreciation/Amortisation	5	481,898	494,597
Movement in provisions	18	(10,607)	27,845
Gain on disposal of divestments		(917)	–
Results on investments		–	8
Working Capital adjustments			
(Increase)/Decrease in Current assets		(35,395)	16,757
Increase/(Decrease) in Current liabilities		24,300	(7,830)
Change in Working Capital		*(11,095)*	*8,927*
Net cash flow from operating activities		**603,836**	**581,442**
Investing activities			
Proceeds from divestments		1,892	–
Interest received		3,522	16,102
Purchase of property, plant and equipment	9	(249,291)	(191,457)
Purchase of intangible assets	10	(33,653)	(28,951)
Change in financial assets	11	(563)	–
Acquisition of subsidiary net of cash acquired	4	–	(1,567,029)
Net cash flow used in investing activities		**(278,093)**	**(1,771,335)**
Financing activities			
Proceeds from borrowings (incl. financing fees)		–	1,772,646
Interest paid		(272,370)	(303,980)
Repayment loans	17	(128,900)	(999,823)
Repayment of financial lease liabilities		(431)	–
Capital contribution from parent company		–	779,151
Net cash flow from financing activities		**(401,701)**	**1,247,994**
Net (decrease)/increase in cash and cash equivalents		**(75,958)**	**58,101**
Net cash and cash equivalents at 1 January		118,499	60,398
Net cash and cash equivalents at 31 December		**42,541**	**118,499**
Net cash and cash equivalents consist of:			
Cash and cash equivalents	15	42,541	121,748
Bank overdrafts within other current liabilities		–	(3,249)
Cash and cash equivalents at 31 December		**42,541**	**118,249**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Corporate information

The consolidated financial statements of Amsterdamse Beheer- en Consultingmaatschappij BV ("ABC", or "the Company") for the year ended 31 December 2008 were authorised for issue in accordance with a resolution of the directors on 23 April 2009. The Company is a private limited company incorporated having its corporate seat in Amsterdam (Address: 9723 AB Groningen, Winschotendiep 60), The Netherlands. The Company is wholly owned by Zesko B.V. whose ultimate shareholders are the private equity companies Cinven Limited and Warburg Pincus LLC.

The principal activities of the Company are to participate in, to finance or to have any other interest in, or to conduct the management of, other companies and enterprises. The Company is the owner and operator of a broadband cable network in The Netherlands. The main subsidiary Ziggo B.V. offers analogue and digital radio and television, broadband internet and telephony services in The Netherlands to 3.3 million households.

The consolidated financial statements of the Company include the subsidiaries mentioned in Note 24.

In accordance with section 2:402, of The Netherlands Civil Code, a simplified income statement of ABC is included in the Company financial statements.

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except derivative financial instruments that have been measured at fair value. The consolidated financial statements are presented in thousands of Euros (€) except when otherwise indicated.

Statement of compliance

The consolidated financial statements of the Company and all its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intra-group balances, transactions, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

Going Concern

The consolidated financial statements have been prepared by management on a going concern basis, which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. Accordingly, the financial statements do not include any adjustments to recorded asset values that might be necessary should the Company be unable to continue as a going concern. Total shareholder's equity is € 974,265 but it is expected that the Company will incur losses in the foreseeable future mainly due to high depreciation and amortisation amounts and interest expense in relation to the credit facility agreements.

The Company is however expected to be able to generate sufficient cash flows (after financing costs) in the coming years and most of the loans are repayable in 2014 at the earliest with no early repayments other than an excess cash clause, which makes a going concern approach valid.

2. ACCOUNTING POLICIES

2.1. Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except as follows:The Company has adopted the following revised and improved IFRSs and new IFRIC interpretations issued by the International Accounting Standards Board ("IASB") during the year. Adoption of these interpretations and improvements did not have any effect on the financial statements of the Company nor did they give rise to additional disclosures.

Revised IFRS

IAS 23 Borrowing Costs

The revised IAS 23 requires capitalisation of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. The Company early adopted the revision of IAS 23, but since the Company already capitalised borrowing costs the revised standard does not impact the financial position of the Company.

Improvements to IFRSs

IAS 1 Presentation of Financial Statements

Assets and liabilities classified as held for trading in accordance with IAS 39 *Financial Instruments: Recognition and Measurement* are not automatically classified as current in the balance sheet. The Company amended its accounting policy accordingly and analysed whether Management's expectation of the period of realisation of financial assets and liabilities differed from the classification of the instrument. This did not result in any reclassification of financial instruments between current and non-current in the balance sheet.

IAS 16 Property, Plant and Equipment

Replace the term "net selling price" with "fair value less costs to sell". The Company amended its accounting policy accordingly, which did not result in any change in the financial position.

IAS 23 Borrowing Costs

The definition of borrowing costs is revised to consolidate the two types of items that are considered components of 'borrowing costs' into one – the interest expense calculated using the effective interest rate method calculated in accordance with IAS 39. The Company has amended its accounting policy accordingly which did not result in any change in its financial position.

IAS 28 Investments in Associates

If an associate is accounted for at fair value in accordance with IAS 39, only the requirement of IAS 28 to disclose the nature and extent of any significant restrictions on the ability of the associate to transfer funds to the entity in the form of cash or repayment of loans applies. This amendment has no impact on the Company as it does not account for associates at fair value in accordance with IAS 39.

IAS 31 Interest in Joint Ventures

If a joint venture is accounted for at fair value, in accordance with IAS 39, only the requirements of IAS 31 to disclose commitments of the venturer and the joint venture, as well as summary financial information about the assets, liabilities, income and expense will apply. This amendment has no impact on the Company as it does not account for joint ventures in accordance with IAS 39.

IAS 36 Impairment of Assets

When discounted cash flows are used to estimate 'fair value less cost to sell' additional disclosure is required about the discount rate, consistent with disclosures required when the discounted cash flows are used to estimate 'value in use'. This amendment has no immediate impact on the consolidated financial statements of the Company because the recoverable amount of its cash generating units is currently estimated using 'value in use'.

IAS 38 Intangible Assets

Expenditure on advertising and promotional activities is recognised as an expense when the Company either has the right to access the goods or has received the service. This amendment has no impact on the Company because it does not enter into such promotional activities. The reference to there being rarely, if ever, persuasive evidence to support an amortisation method of intangible assets other than a straight line method has been removed. The Company reassessed the useful lives of its intangible assets and concluded that the straight line method was still appropriate.

New IFRIC interpretations:

IFRIC 11 – IFRS 2 Group and Treasury Share Transactions

The Company has adopted IFRIC interpretation 11 insofar as it applies to consolidated financial statements. This interpretation requires arrangements whereby an employee is granted rights to an entity's equity instruments to be accounted for as equity-settled scheme, even if the entity buys the instruments from another party, of the shareholders provide the equity instruments needed. The Company amended its accounting policy accordingly. The Company has not issued instruments caught by this interpretation.

IFRIC 12 Service Concession Arrangements

This interpretation applies to service concession operations and explains how to account for the obligations undertaken and rights received in service concession arrangements. No member of the Company is an operator and therefore this interpretation has no impact on the Company.

IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

This interpretation provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognised as an asset under IAS 1 Employee Benefits. The Company amended its accounting policy accordingly. Since the Company has to treat its defined benefit plan as if they are defined contribution plans due to the incapability of the pension insurance organisation to provide sufficient information to apply defined benefit accounting the interpretation has no impact on its financial position.

2.2. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied through all years presented, unless otherwise stated.

Foreign Currency Translation

The consolidated financial statements are presented in Euros ("€"), which is the Company's functional and presentation currency.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing at the transaction dates. Monetary items denominated in foreign currencies are translated into the Company's functional currency spot rate of exchange ruling at the balance sheet date. Exchange differences arising on the settlement of monetary items and on the translation of monetary items, are included in net income for the period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and reported at the net amount in the consolidated balance sheet if, and only if, ABC has a legally enforceable right to set off the recognised amounts, and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Business combinations and goodwill

Business combinations are accounted for using the acquisition accounting method. This involves recognising identifiable assets (including previously unrecognised intangible assets) and liabilities (including contingent liabilities and excluding future restructuring) of the acquired business at fair value.

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Company are assigned to those units or groups of units. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Company at which the goodwill is monitored for internal management purposes.

Where goodwill forms part of a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

When subsidiaries are sold, the difference between the selling price and the net assets plus cumulative translation differences and unamortised goodwill is recognised in the income statement.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and accumulated impairment, if any. The cost include direct costs (materials, replacing parts, direct labour and contracted work) and direct attributable overhead costs. Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the costs of the respective assets. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. The interest percentage used reflects the weighted average interest expense of the Company.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, taking into account residual value. Borrowing cost are depreciated over the estimated useful life of the corresponding asset. Land is not depreciated.

An item of property and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is de-recognised.

The asset's residual values, useful lives and methods of depreciation are reviewed and adjusted if appropriate at each financial year end. Any change in accounting caused by this review is applied prospectively.

Repairs and maintenance are charged to expense during the financial period in which they incur.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditures are reflected in the income statement in the year in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. Such a change in the useful life assessment is made on a prospective basis.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life of the asset remains indefinite. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in the income statement when the asset is derecognised.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased item or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses of continuing operations recognised in the income statement will be recorded in a separate line-item in those expense categories consistent with the classification of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement. Impairment losses recognised in relation to goodwill are not reversed for subsequent increases in its recoverable amount.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units), to which the goodwill relates. The recoverable amount is the higher of the cash generating units fair value less cost to sell and its value in use . The value in use of the cash generating unit is determined using the discounted cash flow method. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. The Company performs its annual impairment test of goodwill as at 31 December.

Investments in associates

The Company uses the equity method of accounting for investment in associates. An associate is an entity in which the Company has significant influence and which is neither a subsidiary nor a joint venture.

After application of the equity method, the Company determines whether it is necessary to recognise an additional impairment loss of the Company's investment in its associates.ABC determines at each balance sheet date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Company calculates the amount of impairment as being the difference between the fair value of the associate and the net equity value and recognises the amount in the income statement.

Inventories

Inventories are valued at cost or net realisable value, whichever is the lower. Cost consist of all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated marketing, distribution and selling expenses.

Most of the inventory is not sold to customers but used in the Company's network and capitalised once used. Sold inventory is included in the cost of goods sold.

Trade accounts receivable and other current assets

Trade accounts receivable and other current assets are initially accounted for at fair value with subsequent valuation at amortized cost, less impairment. An impairment is recorded in operating expenses when it is probable (based on objective evidence) that the Company will not be able to collect all amounts due under the original terms of the invoice. Impairments are calculated on an individual basis and on a portfolio basis for groups of receivables that are not individually identified as impaired. Impaired receivables are de-recognised when they are assessed as uncollectible.

Cash and Cash Equivalents

Cash and short-term deposits in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less. Bank overdrafts are repayable on demand and form an integral part of the Company's cash management. For the purpose of the consolidated cash flow statement, bank overdrafts are included as a component of cash and cash equivalents.

All highly liquid investments purchased with an original maturity of three months or less are considered cash equivalents.

Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost. Transaction costs are deducted from the nominal amount of the loan and amortised over the lifetime of the corresponding loans. This amortisation is included in the income statement in 'Depreciation and amortisation'. Gains and losses are recognised in the income statement when the liabilities are de-recognised as well as through the amortisation process.

Any non-cash interest element is added to the loan and will be repaid upon maturity.

Derecognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Company's continuing involvement is the amount of the transferred asset that the Company may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Company's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

Provisions

Provisions are recognised when a legal or constructive obligation, which can be reliably estimated, exists as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

A provision for restructuring is recognised when management has approved a detailed and formal restructuring plan and the restructuring has either commenced or has been announced to the parties concerned.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

Pensions and other post employment benefits

The defined benefits plans of the Company relates to multi-employer defined benefit plans with publicly or privately administered pension insurance organisations (so called 'bedrijfstak-pensioenfonds'). These pension insurance organisations are not able to provide the Company with sufficient information in order to account for the plans as defined benefit. As a result the defined benefit pension plans are treated as if they are defined contribution plans.

The Company has no obligations for deficits other than higher future pension-insurance payments.

The Company pays contributions on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses in the income statement when they are due.

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and sales taxes or duty.

Rendered services

Revenue primarily comprises revenues earned from subscription fees and to a lesser extent charges for programming. Subscription revenues are recognised at the time services are provided to customers. Pre-invoiced revenues are deferred and allocated to the respective period they relate to. Any unearned revenue is recognised as a deferred revenue within current liabilities.

Other revenues

Other revenues comprises one-off connection fees, other initial fees and sale of goods (set-top boxes).

Cost of Goods Sold

Cost of goods sold include the costs for purchases of materials and services directly related to revenue, like author rights, interconnection costs, signal delivery costs, royalties and internet service provider fees.

Income Tax

Current income tax is recognized in the consolidated income statement except to the extent that it relates to items recognized directly in equity. Current income tax benefit is based on the best estimate of taxable income for the year, using tax rates that have been enacted or substantively enacted at the balance sheet date, and adjustments for current taxes payable (receivable) for prior years.

Deferred income tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and the corresponding tax basis used in the computation of taxable income.

Deferred income tax assets are generally recognised for all temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except to the extent that a deferred income tax asset arises from the initial recognition of goodwill.

Deferred income tax liabilities are generally recognised for all temporary differences.

Deferred income tax assets and liabilities are based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse or are substantively enacted at the balance sheet date. The effect of a change in tax rates on deferred income tax assets and liabilities is recognised in the period that includes the enactment date. Deferred income tax assets are reduced by a valuation allowance when the Company cannot make the determination that it is more likely than not that some portion or all of the related tax assets will be realised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Derivative financial instruments and hedging

The Company entered into several interest rate swaps in order to mitigate its risks associated with interest rate fluctuations. These derivatives are recognised at fair value. The fair value of interest rate swaps is the estimated amount that would be received or paid to terminate the swap at balance sheet date, taking into account current interest rates and creditworthiness of the swap counter parties. Any gains or losses arising from changes in the fair value during the year are taken directly to the income statement.

Depending on their value, derivatives are either presented as an Other financial asset or as Derivative financial instruments within liabilities.

Hedge accounting

The Company does not apply hedge accounting but is investigating the possibilities to apply hedge accounting as from 2009 onwards.

Cash Flow statement

The cash flow statement is prepared using the indirect method with a breakdown into cash flows from operating, investing and financing activities. Cash flows relating to interest and taxes on profits are included in the cash flow from operating activities.

The cash balances of purchased subsidiaries (cash acquired) are included in the consideration paid on acquisition (investing activities).

Standards issued but not yet effective

The IASB issued several Standards, or revisions thereto, and Interpretations in 2008 and 2007, which are not yet effective for 2008.

IAS 1 Presentation of Financial Statements

In 2008, the IAS issued a revised IAS 1 “Presentation of Financial Statements”, which is applicable for financial years beginning on or after 1 January 2009. The revised standard introduces requirements to present all changes in equity arising from transactions with owners in their capacity as owners separately from non-owner changes in equity and to disclose (i) income tax related to each component of other comprehensive income and (ii) reclassification adjustments relating to components of other comprehensive income. In addition, when an entity applies an accounting policy retrospectively or makes a retrospective restatement or reclassification of items in its financial statements, IAS 1 requires the presentation of a third balance sheet as of the beginning of the earliest comparative period. The adoption of the revised IAS 1 will not have an impact on the Company’s financial results or position.

IAS 32 Financial Instruments: Presentation

The revisions provide a limited scope exception for puttable instruments to be classified as equity if they fulfil a number of specified features. The amendments to the standards will have no impact on the financial position of performance of the Company, as the Company has not issued such instruments.

IAS 39 Financial Instruments: Recognition and Measurement

The amendment addresses the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations. It clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as hedged item. The Company has concluded that the amendment will have no impact on the financial position or performance of the Company, as the Company has not entered into any such hedges.

IFRS 2 Share-based Payment

The revised standard clarifies the definition of a vesting condition and prescribes the treatment for an award that is effectively cancelled. The revision will however have no impact on the financial position of the Company since no share based payments are made.

IFRS 3R Business Combinations

In 2008, the IASB issued a revised IFRS 3 “Business Combinations” and amended IAS 27 “Consolidated and Separate Financial Statements”. These standards were changed to address guidance for applying the acquisition method of accounting for business combinations by stressing the “economic entity” view of the reporting entity and greater use of fair value through the income statement. The adoption of these standards will impact the Company’s financial results or position prospectively for business combinations occurring as from 2010.

IFRS 8 Operating Segments

This standard requires disclosure of information about the Company’s operating segments and replaced the requirement to determine primary (business) and secondary (geographical) reporting segments of the Company. As neither the Company nor her ultimate parent companies are stock-listed, this standard will have no impact on the financial statements of the Company.

IFRIC 13 Customer Loyalty Programmes

This interpretation requires customer loyalty credits to be accounted for as a separate component of the sales transaction in which they are granted. A portion of the fair value of the consideration received is allocated to the award credits and deferred. This is then recognised as revenue over the period that the award credits are redeemed. Since the Company does not have a customer loyalty program the interpretation has no impact on its financial position.

IFRIC 15 Agreements for the Construction of Real Estate

In 2008, the IASB issued IFRIC 15 “Agreements for the Construction of Real Estate”, which provides guidance on the accounting for agreements for the construction of real estate, particularly with regard to the accounting standard to be applied and the timing of revenue recognition. IFRIC 15 is effective for annual periods beginning on or after January 1, 2009. The Company is in the process of evaluating the impact on the Company's financial results or position.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation

In 2008, the IASB issued IFRIC 16, which addresses the foreign exchange risks from investments in foreign operations that qualify for hedge accounting and how net investment hedge accounting should be applied in the consolidated financial statements. IFRIC 16 is effective for annual periods beginning on or after October 1, 2008, with earlier application permitted. Since the Company does not have net investments in foreign operations the interpretation has no impact on its financial position.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

Use of estimates

The preparation of financial statements requires management to make a number of estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, of revenues and expenses and the disclosure of contingent assets and liabilities. All assumptions, expectations and forecasts used as a basis for certain estimates within these consolidated financial statements represent good-faith assessments of the Company's future performance for which management believes there is a reasonable basis. These estimates and assumptions represent the Company's view at the times they are made, and only then. They involve risks, uncertainties and other factors that could cause the Company's actual future results, performance and achievements to differ materially from those forecasted. The estimates, assumptions and judgments that management considers most critical relate to:

Purchase Price Allocation

ABC and its subsidiaries applied purchase price allocation in accordance with IFRS 3 Business Combinations in several past acquisitions. The fair values allocated to the individual identified assets are based on management's estimates of the replacement value of the assets. The intangibles are valued using management's estimates of future cash flows and operating results of the Company.

Impairment of Goodwill

The Company determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the 'value in use' of the cash-generating units to which the goodwill is allocated. Estimating a value in use requires management to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at year-end 2008 amounts to €1,899.2 million.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The deferred tax assets recorded amounts to € 203.3 million

4. BUSINESS COMBINATIONS

Acquisition in 2008

During the year 2008 the Company did not acquire assets or a group of assets that constitutes a business as defined in IFRS 3 Business combinations.

Acquisition in 2007

On 1 February 2007 Plinius Investments II B.V. (a 100% subsidiary ABC B.V.) acquired 100% of the shares of @Home BV from Essent Nederland B.V. The acquisition was funded by an additional capital contribution of € 21.7 million and loans from financial institutions of € 1,850.0 million. The Company incurred € 16.3 million of acquisition costs. The fair value of the identifiable assets and liabilities of @Home BV as at the date of the acquisition were:

	Recognised on acquisition	Carrying value

Cash and cash equivalents		57,140	57,140
Trade accounts receivable – net		14,999	14,999
Inventory		3,855	3,855
Other current assets		2,951	2,951
Total current assets		78,945	78,945
Property and equipment – net		819,349	816,249
Other intangibles – net		1,150,018	13,708
Other assets		78,244	60,621
Total non-current assets		2,047,611	890,578
Total assets		2,126,556	969,523
Accounts payable		32,904	32,904
Provisions		22,051	22,051
Loans		993,973	993,973
Other liabilities		54,439	52,912
Total current liabilities		1,103,367	1,101,840
Deferred tax liability		290,550	–
Total liabilities		1,393,917	1,101,840
Fair value of net assets		**732,639**	
Purchase price	1,607,950		
Acquisition costs	16,219		
		1,624,169	
Goodwill		**891,530**	
Cash outflow on acquisition:			
Net cash acquired with the subsidiary		57,140	
Cash paid		1,624,169	
Net cash outflow		1,567,029	

From the date of the acquisition @Home BV has contributed € 542.3 million to the total revenues of the Company in 2007. The total revenues of the Company would have been € 46.9 million higher if the acquisition was performed at the beginning of the year and the operating profit for the year 2007 would have been € 0.3 million higher compared to the current operating profit.

A part of the acquisition a valuation was made of the property and equipment using the purchase price allocation method. This valuation was prepared on the basis of fair value and recorded as such.

The goodwill acquired represents synergies and a concentrated workforce as well as expected growth of the business, especially in broadband internet, telephony and digital television services in the coming years.

5. DEPRECIATION AND AMORTISATION

Depreciation and amortisation recognised in the consolidated income statement can be specified as follows:

	2008	2007
Depreciation	252,100	263,343
Amortisation	212,450	214,577
Amortisation funding costs	17,348	16,677
Total depreciation and amortisation	481,898	494,597

6. NET FINANCIAL INCOME AND EXPENSE

	2008	2007
Interest expense		
Loans and overdrafts financial institutions	(323,955)	(322,874)
Other interest expense	–	(237)
	(323,955)	(323,111)
Interest income	7,255	16,024
Other net financial income and expense		
Fair value gains (losses) on derivative financial instruments	(124,575)	34,399
Commitment fees	(3,733)	–
	(128,308)	34,399
Net financial income (expense)	**(445,008)**	**(272,688)**

Interest expense relates primarily to financial liabilities measured at amortized cost. Other interest income is mainly attributable to the interest on cash and cash equivalents.

Foreign exchange results arising from the purchase of goods for sale or goods and services consumed in the Company's operations are included in cost of sales or in the appropriate element of operating expenses. In 2008, the Company included net exchange losses of € 143 in operating income (2007: loss of € 34). For information on fair value gains (losses) on financial instruments, refer to Note 24.

7. EMPLOYEE BENEFITS EXPENSE

Total employee benefits expenses	**2008**	**2007**
Wages and salaries	89,510	102,969
Social security costs	10,249	10,004
Pension costs	10,427	11,111
Post-employment benefits other than pensions	146	2,758
Other	46,115	36,007
Net employee benefits expenses	156,447	162,849

Other employee benefits comprises of temporary external personnel for € 48.2 million (2007: € 46.1 million), other personnel expenses € 12.4 million (2007: € 9.2 million), less capitalised personnel expenses of € 14.5 million (2007: € 19.3 million).

The number of employees as per 31 December 2008 of the Company in full time equivalents was 1,916 (2007: 2,121).

8. INCOME TAXES

The subsidiaries of the Company are incorporated in the fiscal unity of Zesko B.V. For financial reporting purposes, its consolidated subsidiaries calculate their respective tax assets, tax liabilities and tax benefits on a consolidated return basis.

The income tax benefit (expense) consisted of the following:

	2008	**2007**
Deferred tax asset	3,265	22,984
Deferred tax liability	73,350	37,710
Total income tax	76,615	60,694

A reconciliation between the statutory tax rates of 25.5% and the Company's effective tax rate is as follows:

	2008	**2007**
Computed income tax benefit at statutory rates	76,615	56,770
Change in tax losses carried forward (utilisation unrecognised tax losses)	–	6,154
Other adjustments prior years	–	(2,228)
Participation exemption	–	(2)
Total income tax (expense) benefit	76,615	60,694
Effective tax rate	25.5%	27.3%

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities as of 31 December 2008 and 2007 are presented below:

	31 December, 2008	**31 December, 2007**
Deferred tax assets:		
Net operating loss carry forwards	110,460	107,194
Deferred tax liabilities:		
Property and equipment	4,394	10,081
Intangibles	(488,126)	(535,147)
Derivative financial instruments	18,853	(12,913)
	(464,878)	(537,979)
Net deferred tax asset/(liability)	(354,419)	(430,785)

As of 31 December 2008, the fiscal unity Zesko B.V. had cumulative tax loss carry forwards of approximately € 975.9 million (2007: € 803.2 million). New Dutch tax law applicable as from 1 January 2007 is applied in the calculation of the deferred tax asset. This implies that tax losses can only be carried forward for 9 consecutive years.

To calculate the deferred tax asset and liability a tax rate of 25.5% is used. The Company has recognised a deferred tax asset of € 203.3 million (2007: € 159.3 million). Based on management's forecasts the Company will show that future profits will compensate these losses carried forward recognised on the balance sheet.

Deferred tax assets have not been recognised for an amount of € 103.7 million (2007: € 103.7 million) because it is not likely that future taxable profit will be available before the tax losses can be utilised.

The following table shows the maturity date of the unrecognised tax losses:

Maturity	**2008**	**2007**
2011	387,680	387,680
2012	18,996	18,996

9. PROPERTY AND EQUIPMENT

The components of property and equipment are as follows:

	Network	**Land**	**Other**	**Assets under construction**	**Total**
At 1 January, 2007					
At cost	856,136	657	25,357	53,318	935,468
Accumulated depreciation	(43,358)	–	(2,877)	–	(46,235)
Net carrying amount	812,778	657	22,480	53,318	889,233
At year end 2007					
Acquisitions of a subsidiary	757,472	793	13,984	47,100	819,349
Additions	116,947	57	21,978	65,006	203,988
Depreciation charge for the year	(245,734)	–	(17,609)	–	(263,343)
Total changes 2007	628,685	850	18,353	112,106	759,994
At 31 December 2007					
Cost	1,730,555	1,507	61,319	165,424	1,958,805
Accumulated depreciation	(289,092)	–	(20,486)	–	(309,578)
Net carrying amount	1,441,463	1,507	40,833	165,424	1,649,227
Additions – net	165,674	1,141	4,746	77,731	249,292
Depreciation charge for the year	(245,422)	–	(6,678)	–	(252,100)
Total changes 2008	(79,748)	1,141	(1,932)	77,731	(2,808)
At 31 December 2008					
Cost	1,896,229	2,648	66,065	243,155	2,208,097
Accumulated depreciation	(534,514)	–	(27,164)	–	(561,678)
Net carrying amount	1,361,715	2,648	38,901	243,155	1,646,419

In both 2008 and 2007 the Company did not recognise impairment charges nor did it reverse impairment charges of assets previously impaired.

Assets under construction relates to the integration of the Company's business support system and operational support system and the integration and expansion of the Company's network and IT-infrastructure. Included in assets under construction is software, which is recognised as intangible asset once in use.

The additions to network include capitalised borrowing cost of € 11,2 million (2007: € 11,1 million). Generally, the capitalisation rate used to determine the amount of capitalised borrowing costs is a weighted average of the interest rate applicable. For 2008 an interest rate applied of 8.86% (2007: 8.40%).

The carrying value of other property and equipment held under finance leases at 31 December 2008 was € 0,7 million (2007: € 0,9 million). For the other property and equipment no new financial leases were entered into during 2008 (2007 € 1 million). Leased assets and assets under hire purchase contracts are pledged as security for the related financial leaseliabilities.

Mortgages on all registered properties, related movable assets and the network related elements have been established under the senior credit facilities and the mezzanine credit facilities as explained in Note 17.

The useful life of the assets is as follows:

	Useful lives
Network active (headend, local network)	10 - 12 years
Network passive (backbone)	12 - 20 years
Network equipment (IP and datacom equipment)	5 years
Other	3 - 20 years

There are no contractual commitments for the acquisition of any property and equipment.

10. INTANGIBLE ASSETS

	Goodwill	Customer lists	Trade names	Software	Total
At 1 January, 2007					
At cost	875,538	1,172,305	21,800	34,437	2,104,080
Accumulated depreciation	–	(42,041)	(16,103)	(3,076)	(61,220)
Net carrying amount	875,538	1,130,264	5,697	31,361	2,042,860
Acquisitions of a subsidiary	891,530	1,124,000	13,000	13,018	2,041,548
Additions	–	–	–	28,951	28,951
Disposals	–	–	–	(1,550)	(1,550)
Amortisation for the year	–	(165,565)	(9,358)	(39,653)	(214,576)
Total changes 2007	891,530	958,435	3,642	766	1,854,373
At 31 December, 2007					
At cost	1,767,068	2,296,305	34,800	74,856	4,173,029
Accumulated depreciation	–	(207,606)	(25,461)	(42,729)	(275,796)
Net carrying amount	1,767,068	2,088,699	9,339	32,127	3,897,233
Additions	–	22,048	–	11,605	33,653
Amortisation for the year	–	(174,712)	(9,339)	(28,399)	(212,450)
Total changes 2008	–	(152,664)	(9,339)	(16,794)	(178,797)
At 31 December, 2008					
At cost	1,767,068	2,318,353	34,800	86,461	4,206,682
Accumulated depreciation	–	(382,318)	(34,800)	(71,128)	(488,246)
Net carrying amount	1,767,068	1,936,035	0	15,333	3,718,436

In 2008 former operating companies Multikabel, Casema and @Home merged into Ziggo. As a result of the merger Ziggo integrated these businesses and consequently one cash generating unit remains. All goodwill acquired through business combinations has been allocated for impairment testing to the cash-generating unit at which management monitors the operating results. Whereas in 2007 goodwill was allocated to the three cash generating units Multikabel for € 124.8 million, Casema for € 750.9 million and @Home for € 891.5 million.

Value in use calculations use cash flow projections covering a maximum period of five years that are based on three-year financial budgets approved by Company management. Cash flows beyond this three year period are extrapolated using estimated growth rates that do not exceed the long-term average growth rate and are consistent with forecasts included in industry reports. The value in use calculated in the goodwill impairment test exceeded the carrying amount of the cash generating unit Ziggo and consequently no impairment was recognised. The discount rate used for the 2008 assessment is 9.42%, whereas the discount rate for 2007 was 9.6%.

The calculation of the value in use is most sensitive to the key assumptions set out below.

Cash Flow – Main drivers within free cash flow are revenues, costs and capital expenditure levels. Estimates are made based on historic growth numbers and expected future growth and related costs and capital expenditures. These estimates are based on expected market penetration levels for revenues.

Discount rates – Discount rates reflect management’s estimate of the specific risks. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals. In this estimate management also took into account the average cost of capital both from a bank facility and shareholder perspective.

Growth rate estimate – The growth rates applied are on a gross basis (not adjusted for inflation) and reflect historic growth numbers and current market developments. Years beyond the budgeted period are extrapolated using for conservative purposes a lower growth rate than the last budgeted year.

With regard to the assessment of value in use of goodwill, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value to materially impact its recoverable amount.

The customer lists are valued at cost and amortised in 12 - 14 years as far as they are related to residential customers and amortised in 13 years as far as they are related to business customers, using the straight line method over their economic useful lives. The trade names consist of the names Multikabel, Casema and @Home and were fully amortised in 2008. Software is amortised in 3 years using the straight line method over their economically useful lives.

11. FINANCIAL ASSETS

The breakdown of the other financial assets can be explained as follows:

	31 December, 2008	31 December, 2007
Derivative financial instruments	–	50,640
Other	899	336
Total	899	50,976

The derivative financial instruments contains interest rate swaps in order to mitigate the risk of changes in the floating interest rates of the Company's long-term debt. Due to the changes in the interest rate markets the interest rate swaps are currently presented as non-current liability. For more information on the derivates refer to Note 24.

The item 'other' consists of loans to personnel of € 178 (2007: € 254) and long term accrued expenses for € 721 (2007: € 82).

12. INVENTORIES

	31 December, 2008	31 December, 2007
Equipment and cables	6,196	5,964
Customer premises equipment	3,252	2,906
Set-top boxes	3,744	3,562
Other	786	524
Total Inventories	13,978	12,956

The amount of write-down of inventories recognised in cost of goods sold as an expense is € 1 million (2007 €13.5 million).

13. TRADE ACCOUNTS RECEIVABLE

	31 December, 2008	31 December, 2007
Trade accounts receivable – gross	54,319	45,860
Allowance for doubtful accounts	(5,600)	(12,409)
Trade accounts receivable – net	48,719	33,451

Allowances are calculated on an individual basis, and on a portfolio basis for groups of receivables that are not individually identified as impaired. The allowance for doubtful accounts reflects management's best estimate of probable losses inherent in the account receivable balance, based on known troubled accounts, historical experience by kind of trade debtor and other currently available evidence.

The movements in the allowances for doubtful accounts during the year 2008 can be explained as follows:

	2008	2007
At 1 January	12,409	13,623
Acquisition of subsidiary	–	1,402
Additions	4,707	3,969
Used	(11,516)	(6,392)
Released	–	(193)
At 31 December	5,600	12,409

The analyses of the ageing of the trade accounts receivables can be explained as follows:

Not due	Past due, but not impaired

	Total	<30 days	30-60 days	60-90 days	90-180 days	180-365 days	>365 days
2008	48,719	24,481	4,713	4,753	7,954	5,351	1,467
2007	33,451	22,222	3,096	2,636	3,353	1,822	322

A pledge has been given on all receivables as mentioned in Note 17.

Trade accounts receivables are non interest-bearing and are generally due on 30 days' terms.

14. OTHER CURRENT ASSETS

	31 December, 2008	31 December, 2007
Costs paid in advance	10,786	9,283
Deposits	94	95
Credit notes to receive	61	370
Income to be invoiced	18,257	–
Taxes	–	332
Accrued interest	–	625
Other receivables	904	142
Total current assets	30,102	10,847

15. CASH AND CASH EQUIVALENTS

	31 December, 2008	31 December, 2007
Bank accounts	42,536	22,739
Deposit accounts	–	99,000
Cash	5	9
Total cash and cash equivalents	42,541	121,748

All cash within the Company is held within bank accounts and earn interest at floating rates based on daily bank deposit rates.

A pledge has been given on the accounts of the Company as mentioned in Note 17.

16. SHAREHOLDER'S EQUITY

The Company is incorporated as a private limited liability Company under Dutch law. Its registered capital fully consist of ordinary shares. The authorised capital is 40,000 shares of € 500 per share.

17. LOANS FROM FINANCIAL INSTITUTIONS

	31 December, 2008	31 December, 2007
Credit agreements (senior loan & mezzanine)	3,920,775	3,998,090
Funding costs	(119,916)	(137,264)
Total loans	3,800,859	3,860,826
Financial leases	424	854
	3,801,283	**3,861,680**
Short term part	–	29,176
Long term part	3,801,283	3,832,504

The average percentage of the total borrowings, is 4.655% in addition to EURIBOR (2007: 4.46%). Funding costs are amortised over the lifetime of the underlying facility and are included in depreciation and amortisation in the income statement.

The current credit agreement relates to both the acquisitions of Casema in 2006 and the acquisition of @Home in 2007. The total is divided in the following tranches and facilities:

	Interest rate	Maturity	Casema	@Home	31 December, 2008	31 December, 2007
Senior Loan						
Facility A	EURIBOR +2.%	*)	161,448	203,802	365,250	494,150
Facility B	EURIBOR +2.50%	2014	625,000	475,000	1,100,000	1,100,000

Facility C	EURIBOR +3.00%	2015	625,000	475,000	1,100,000	1.100,000
Facility D	EURIBOR +4.25%	2016	150,000	100,000	250,000	250,000
Total Senior Loan			1,561,448	1,253,802	2,815,250	2,944,150
Mezzanine Facility						
Principal loan amount	EURIBOR +9.25%	2016	475,000	525,000	1,000,000	1,000,000
Capitalised interest			41,330	27,428	68,758	23,253
Accrued Interest			13,929	22,838	36,767	30,687
Total Mezzanine			530,259	575,266	1,105,525	1,053,940
Total loan			**2,091,707**	**1,829,068**	**3,920,775**	**3,998,090**
Funding costs			(61,938)	(57,978)	(119,916)	(137,264)
			2,029,769	**1,771,090**	**3,800,859**	**3,860,826**
Repayable in following year			–	–	–	(28,900)
Total long term			2,029,769	1,771,090	3,800,859	3,831,926

*) For the repayment schedule of the Facility A: see the repayment schedule as set out below.

The other facilities are repayable upon maturity.

Senior loan, Facility A

Under both the loan terms the Company is required to repay the Facility A loan in several instalments. The Company is allowed to prepay any future installments. In case prepayments are made, these will be deducted from any future repayments, thus reducing short term repayment obligations.

At the end of November 2008, the Company has prepaid a total of € 100.000. The prepayment has been distributed pro rata over both the Casema and Kabelcom loan. The applicable repayment schedule after this prepayment is set out below:

	Percentage of initial amount	
Repayment date	**Casema Term A**	**Kabelcom Term A**
31-Mar-09	0%	0%
30-Sep-09	0%	0%
31-Mar-10	0%	0%
30-Sep-10	6.05%	0%
31-Mar-11	8.50%	4.71%
30-Sep-11	8.50%	8.00%
31-Mar-12	9.50%	8.50%
30-Sep-12	9.50%	9.50%
31- Mar-13	14.85%	21.70%
13-Sep-13	14.85%	21.70%

Any amount of any A term loan still outstanding on the final maturity date must be repaid on that date.

Mezzanine facilities

The interest rate of both mezzanine facilities (EURIBOR+9.25%) consist of a cash interest and a non-cash interest component. The non-cash interest component (PIK-interest) of 4.75% will be capitalised at the end of each six month period and will be added to the outstanding principal amount. From that date the non-cash interest component will be treated as part of the principal amount be accrued to the loan and repaid in full upon maturity of the loan.

Prepayment

On certain occasions prepayment of part or all of the drawn facilities is mandatory. For example the occurrence of a change in control or the sale of all or substantially all of the assets of the Company will lead to a cancellation of the facilities and all outstanding utilisations and ancillary outstandings, together with accrued interest shall become immediately due and payable.

Securitisation

The total credit facility (senior loan and mezzanine facility) are secured over the Company's tangible assets as follows:

- Mortgage on all registered properties, related movable assets, the network related elements, and the claims

- Pledges on all bank accounts, intellectual property rights, receivables and movable assets.

Funding costs

Costs associated with the drawing of the facilities are subtracted from the loan and amortised over the period of the different facilities. Given that no new facilities were drawn and no drawings were made under existing facilities in 2008 no funding costs apply for 2008 (2007: € 77.4 million).

Revolving and capital expenditure restructuring facility

In addition to the senior and mezzanine loans the Company has a revolving facility of € 150.0 million and a capital expenditure restructuring facility of € 250.0 million. During the year 2008 there were no drawings under these facilities. The Company pays an annual fee for the availability of the facilities.

Financial leases

The financial leases relate to Company vans. The aggregate amounts of minimum financial lease payments to third parties, under non- cancellable financial lease contracts for the next five years and thereafter are as follows:

2009	346
2010	266
2011	173
2012	72
2013	34
Thereafter	7
Total future minimum lease payments	898
Interest portion	(266)
Present value of net minimum financial lease payments	632
Current portion	(208)
Non-current financial lease liabilities	424

18. PROVISIONS

	Restructuring	Legal claims	Other	Total
At 31 December 2006	775	–	1,088	1,863
Acquired subsidiaries	2,081	18,730	1,240	22,051
Arising during the year	10,476	5,324	–	15,800
Release during the year	–	(1,417)	(240)	(1,657)
Utilisation	(1,182)	(7,103)	(64)	(8,349)
At 31 December 2007	12,150	15,534	2,024	29,708
Additions (including interest cost)	9	1,139	–	1,148
Usage	(7,038)	–	(24)	(7,062)
Released	–	(4,693)	–	(4,693)
At 31 December 2008	5,121	11,980	2,000	19,101
Current	28	11,980	2,000	14,008
Non-current	5,093	–	–	5,093
At 31 December 2008	5,121	11,980	2,000	19,101
Current	10,072	15,534	1,024	26,630
Non-current	2,078	–	1,000	3,078
At 31 December 2007	12,150	15,534	2,024	29,708

Restructuring provision

During the year 2007, the Company entered into an agreement with the Works Council for a social plan with respect to the restructuring of the head-office organisation resulting in a reduction of workforces. Management approved a detailed and formal restructuring plan and the restructuring was announced to the parties concerned. The restructuring plan was executed in 2008 and the related provision used, except for a settlement with an industry pension fund and a termination benefit.

Provision for legal claims

In 2008 a court decision on the exploitation of the network in a municipal resulted in the release of the recorded provision of € 4.7 million. In addition the Company provided for a similar dispute with another municipal in the amount of € 0.4 million. The remaining addition to the legal claims relate to interest cost.

Other provisions

The other provision in the amount of € 1.0 million relates to a transfer tax claim of a predecessor of CAI Oosterhout B.V. (a subsidiary of former Casema B.V.) and € 1.0 million relates to legalisation of the network.

19. OTHER CURRENT LIABILITIES

Other current liabilities comprise of the following:

	31 December, 2008	31 December, 2007
Accrued expenses	90,693	58,076
Taxes and Social Security	8,077	10,549
Provisions – current	14,008	26,630
Accrued interest	2,737	2,914
Holiday allowance	10,649	11,342
Bonuses to personnel	3,389	7,982
Pension contribution	426	865
Deposits	–	573
Other	3,595	1,592
Total	133,574	120,523

Taxes and social security include wage tax and value added tax payable. For provisions reference is made to Note 19.

20. COMMITMENTS AND CONTINGENCIES

Lease commitments

The Company leases buildings, certain office equipment and vehicles and entered into various maintenance and support contracts for the support on mainly network equipment. Lease terms generally range from three to five years with the option to renew at varying terms. Lease commitments for the coming years are mentioned in the following schedule:

	Buildings	Other contracts	2008	2007
2008	–	–	–	14,946
2009	10,660	3,854	14,514	10,695
2010	8,248	3,717	11,965	6,947
2011	10,343	2,521	12,864	2,925
2012	10,602	1,868	12,470	1,076
2013	10,867	1,483	12,350	1,132
>2013	–	52	52	–
Total	50,720	13,495	64,215	37,721

Purchase commitments

The company enters into purchase commitments in the ordinary course of business, which however are not material.

Legal proceedings

The Company is involved in a number of legal proceedings. The legal proceedings may result in liability material to the Company’s financial condition, results of operations, or cash flows. The Company may enter into discussions regarding settlement of these proceedings, and may enter into settlement agreements, if it believes settlement is in the best interests of the Company. In accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”, the Company has recognized provisions with respect to these proceedings, where appropriate, which are reflected in the consolidated balance sheet.

21. RELATED PARTY DISCLOSURES

Identification of related parties

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party making financial or operational decisions. The related parties comprise associated companies, key-management personnel and close family members of related parties.

Transactions and positions

As part of the financing of the @Home-acquisition, Even Investments 2 Sàrl contributed an additional € 779.1 million as share premium to ABC B.V. during the year 2007.

Cinven Limited and Warburg Pincus LLC are the ultimate shareholders of ABC B.V. Financing fees of total € 26 million have been charged to the Company in relation to the @Home acquisition in 2007.

Furthermore in total € 0.5 million (2007: € 0.7 million) of management fee has been charged by the ultimate shareholders to the Company.

In the normal course of business, ABC B.V. and its subsidiaries maintain various types of ordinary business with related parties (mainly as a provider of internet, television and telephony services). These transactions are not considered material to the Company, either individually or in the aggregate.

Remuneration of the Corporate Executive Board of the Company

The aggregated remuneration of the Corporate Executive Board members B.E. Dijkhuizen, W.R. Blom and M.J. Nijhoff can be specified as follows:

	2008	2007
Wages and salaries	935	793
Bonus payments	700	844
Social security costs	19	13
Pension costs	141	107
Total	1,795	1,757

Remuneration of the Supervisory Board of the Company

The Company was charged for the remuneration of two Supervisory Board members in the amount of € 176 (2007: nil).

22. FINANCIAL RISKS

The Company's principal financial instruments – other than derivatives – comprise bank loans and overdrafts, cash and short-term deposits and trade receivables.

The Company is exposed to market risks, including interest rates and foreign currency exchange rate risks, associated with underlying assets, liabilities and anticipated transactions. Based on the analysis of these exposures, ABC selectively enters into derivatives to manage the related risk exposures.

Credit risk

The credit risk on trade accounts receivables by customer is considered to be low as a result of the large and diverse nature of the Company's customer base and the relatively small receivables as per customer.

The Company's maximum exposure to credit risk in the event the counterparty fails to perform their obligations in relation to each class of recognised financial asset, including derivatives, is the carrying amount of those assets in the balance sheet. The Company is exposed to credit loss in the event of non-performance by a counterpart (financial institution) on derivatives, but does not anticipate non-performance by any of these financial institutions, given their credit rating.

Liquidity risk

The Company manages its liquidity risk on a consolidated basis with cash provided from operating activities being a primary source of liquidity. The Company manages short-term liquidity based on projected cash flows over rolling periods of six months.

Based on the current operating performance and liquidity position, the Company believes that cash provided by operating activities and available cash balances will be sufficient for working capital, capital expenditures, interest payments, dividends and scheduled debt repayment requirements for the next 12 months and the foreseeable future.

The table below summarises the maturity profile of the Company's financial liabilities at 31 December 2008.

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	31 December, 2008
Credit agreements	–	–	365,250	3,555,525	3,920,775
Financial leases	86	260	545	7	898
Trade accounts payable	60,242	–	–	–	60,242
	60,328	260	365,795	3,555,532	3,981,915

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	31 December, 2007
Credit agreements	–	28,900	279,075	3,690,115	3,998,090
Financial leases	69	207	535	43	854
Trade accounts payable	115,229	–	–	–	115,229
	115,298	29,107	279,610	3,690,158	4,114,173

Interest rate risk

Exposure to the risk of changes in the market interest rates relates primarily to the Company's long-term debt obligations with a (partly) floating interest rate. The Company manages its exposure to changes in interest rates and its overall cost of financing by using interest rate swap (IRS) agreements. They are used to transform the interest rate exposure on the underlying liability from a floating interest rate to a fixed interest rate. It is the Company's policy to keep at least 50% of its borrowings at fixed rates of interest.

The net interest rate risk can be explained as follows:

	31 December, 2008	31 December, 2007
Notional Amount Borrowing (floating)	(3,920,775)	(3,998,090)
Cash (floating) & Deposits (floating and/or fixed)	42,400	99,000
Notional Amount IRS (fixed)	2,961,750	3,027,750
Net Interest Rate Risk	(916,625)	(871,340)

At 31 December 2008, after taking into account the effect of interest rate swaps, approximately 76% of the Company's borrowings are at a fixed rate of interest (2007: 78%).

Sensitivity analyses interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's result before tax (through the impact on floating rate borrowings). There is no impact on the Company's equity.

	31 December, 2008	31 December, 2007
Increase / decrease in basis points		
+20bp	(1,795)	(1,743)
+10bp	(897)	(871)
−10bp	897	871
−20bp	1,795	1,743

Foreign currency risk

The Company also has transactional currency exposures arising from purchases in USD. Due to the limited exposure, there are no hedge contracts entered into to mitigate this risk.

The breakdown of the net foreign currency exposure of the USD amounts to € (0.6) million in (2007: € 0.7 million) and relates to the net amount of cash & cash equivalents and trade accounts payable.

Capital management

The financing of Multikabel, Casema and @Home were done through equity and debt syndication in the balance of about 30% to 70% respectively. The primary object of the Company's capital management is to ensure that the covenants agreed upon with the lenders of the credit agreement (senior loan & mezzanine) will be met and an optimal debt to equity ratio is reached taking into account the Company's liabilities. No changes were made in the objectives, policies or processes during the years ending 31 December 2008 and 31 December 2007.

The Company needs to comply on a quarterly basis with covenants set by the lenders of the senior and mezzanine loans. These covenants are the interest coverage ratio, net leverage ratio and the fixed charge coverage ratio. These financial covenants were all met during the years 2008 and 2007.

23. FINANCIAL INSTRUMENTS

Fair values

Set out below is a comparison by category of carrying amounts and fair values of all of the Company's financial instruments that are carried in the financial statements.

	Carrying amount		Fair value	
	31 December, 2008	31 December, 2007	31 December, 2008	31 December, 2007
Financial assets				
Cash & cash equivalents	42,400	121,748	42,400	121,748
Interest rate swap	–	50,640	–	50,640
Other financial assets	–	336	–	336
Financial liabilities (− = credit amount)				
Bank overdrafts	–	(3,249)	–	(3,249)
Interest rate swap	(73,935)	–	(73,935)	–
Interest bearing loans third party	(3,920,775)	(3,832,504)	(3,445,629)	(3,832,504)

The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade ratings. The calculation of the fair value for derivative instruments depends on the type of instrument. Derivative interest rate contracts (interest rate swaps) are estimated by discounting expected future cash flows using market interest rates and yield curve over the remaining term of the instrument. Changes in the fair value are recorded in the consolidated income statement as net financial income and expense. For 2008 a loss was recognised of € 124.6 million (2007: € 34.4 million profit).

Hedging activities

At 31 December 2008, the Company entered into interest rate swap (IRS) agreements with a total notional amount of € 2,961.8 million (2007: € 3,027.8 million) whereby it pays a fixed rate of interest (between 3.55% and 3.84%) and receives a variable rate equal to EURIBOR on the notional amount. These IRS agreements are being used to reduce the exposure to changes in the variable Euribor rates on the outstanding loan portfolio of € 3,920.8 million (2007: € 3,852.5 million). The notional amounts of the IRS contracts will be reduced in line with the repayment schedule on the loan portfolio (currently last IRS matures in 2014).

Any gains or losses arising from changes in the fair value during the year are taken directly to the income statement.

24. GROUP COMPANIES

GROUP COMPANIES OF ABC

The following are ABC's significant subsidiaries as of December 31, 2008. Unless otherwise indicated, these are wholly owned subsidiaries. Subsidiaries not important to providing an insight into the group as required under Dutch law are omitted from this list. During 2008 a new legal structure was established. This has lead to the wind up of quite a number of entities of which the activities now mainly occur by Ziggo B.V.

With respect to the separate financial statements of a number of legal entities included in the consolidation, the Company availed itself of the exemption laid down in section 403, subsection 1 of Book 2 of the Netherlands Civil Code. Pursuant to this section, the Company has issued declarations of assumption of liability for its subsidiaries. These companies are marked with a * in the following table.

Christina Beheer- en Adviesmaatschappij B.V., Amsterdam, The Netherlands *
Serpering Investments B.V., Amsterdam, The Netherlands *
Plinius Investments II B.V., Amsterdam, The Netherlands *
Torenspits II B.V., Amsterdam, The Netherlands *
Ziggo Holding B.V., Groningen, The Netherlands *
Ziggo B.V., Groningen, The Netherlands *
Ziggo Netwerk B.V., Groningen, The Netherlands *
TeleCai Den Haag B.V., Den Haag, The Netherlands (99,98%)

25. SUBSEQUENT EVENTS

No material events occurred between the end of the reporting period and the date these financial statements were authorised for issue.

PARENT COMPANY FINANCIAL STATEMENTS

INCOME STATEMENT

Amounts in thousands of euro	Note	2008	2007
Result investments		(260,853)	(294,783)
Profit after income taxes		37,017	132,846
Net loss		(223,836)	(161,937)

BALANCE SHEET

As per 31 December 2008, before appropriation of current year result

Amounts in thousands of euro	Note	2008	2007
ASSETS			
Loans receivable related party	3	1,709,714	1,558,414
Financial assets		–	50,640
Total non-current assets		1,709,714	1,609,054
Accounts receivable		16	3,376
Other current assets	4	46,739	1,563
Cash and cash equivalents		90	7,251
Total current assets		46,845	12,190
TOTAL ASSETS		**1,756,559**	**1,621,244**
EQUITY AND LIABILITIES			
Issued share capital		9,813	9,813
Share premium		1,394,953	1,394,953
Retained earnings		(206,665)	(44,728)
Net income (loss) for the period		(223,836)	(161,937)
Equity attributable to equity holders	5	974,265	1,198,101
Provision for the net capital deficiency of investments	6	627,702	366,849
Derivative financial instruments		73,935	–
Deferred income tax liability		60,402	47,733
Total non-current liabilities		762,039	414,582
Banks and bank overdrafts		17,817	–
Other current liabilities		2,438	8,561
Total current liabilities		20,255	8,561
TOTAL EQUITY AND LIABILITIES		**1,756,559**	**1,621,244**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Amsterdamse Beheer- en Consultingmaatschappij B.V. is the holding company of several entities in the Netherlands as mentioned in Note 24 of the consolidated financial statements. The principal activities of the Company are to participate in, to finance or to have any other interest in, or to conduct the management of, other companies and enterprises. The Company is the owner and operator of a broadband cable network in The Netherlands. The subsidiary Ziggo B.V. offers analogue and digital radio and television, broadband internet and telephony services in The Netherlands to 3.3 million households.

Amsterdamse Beheer en Consultingmaatschappij B.V. is a private limited company having its corporate seat in Amsterdam, The Netherlands and is wholly owned by Zesko B.V., The Netherlands.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The parent company financial statements of Amsterdamse Beheer- en Consultingmaatschappij BV. have been prepared in accordance with Part 9, Book 2 of the Netherlands Civil Code. In accordance with subsection 8 of section 362, Book 2 of the Netherlands Civil Code, the measurement principles applied in these parent company financial statements are the same as those applied in the consolidated financial statements (see Note 1 to the consolidated financial statements). This means that the principles for recognition and measurement of assets and liabilities and determination of the result of the Company are the same as those applied for the consolidated financial statements.

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) laid down by the International Accounting Standards Board and adopted by the European Union. The accounting policies applied in the parent company financial statements are the same as those applied in the consolidated financial statements. Reference is made to Note 2 of the consolidated financial statements for a description of these principles.

The parent company financial statements are presented in thousands of Euros (€) except when otherwise indicated.

As the financial data Amsterdamse Beheer- en Consultingmaatschappij B.V. (the parent company) are included in the consolidated financial statements, the income statement in the parent company financial statements is presented in condensed form (in accordance with section 402, Book 2 of the Netherlands Civil Code).

Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries are accounted for using the net equity value Amsterdamse Beheer- en Consultingmaatschappij B.V. calculates the net equity value using the accounting policies as described in Note 2 to the consolidated financial statements. The net equity value of subsidiaries comprises the cost, excluding goodwill, of Amsterdamse Beheer- en Consultingmaatschappij B.V.'s share in the net assets of the subsidiary, plus the share in income or losses since acquisition, less dividends received. In case the net equity value is negative and the Company is liability for the deficit of the subsidiary the carrying amount is presented as “Provision for the net capital deficiency of investments”.

3. LOANS RECEIVABLE RELATED PARTY

	31 December, 2008	31 December, 2007
Christina Beheer- en Adviesmaatschappij B.V.	622,363	571,557
Serpering Investments B.V.	106,961	96,905
Torenspits II B.V.	980,390	889,952
	1,709,714	1,558,414

The company granted a loan to its subsidiary Christina Beheer- en Adviesmaatschappij B.V. An amount of € bears an interest rate of 14.125%. The other part of the loan bears an interest rate which is equal to the weighted average rate of interest applicable to the € 2.1 billion loan that has been drawn on 13 September 2006 (see Note 17 to the consolidate financial statements).

The loan to subsidiary Serpering Investments B.V. bears an interest of 10.16% per annum.

On 30 January 2007 ABC granted a shareholders loans to Torenspits II B.V. The rate of interest applicable is 10.16% per annum. The loan to Torenspits II B.V. was increased in 2008 by € 33.3 million as a result of intercompany transfers. The same conditions apply for the increase.

The maturity date of all three loans is 30 January 2016. The borrowers may repay these loans or any part of it earlier than 30 January 2016 without penalty.

Interest not paid is added to the loan and will become interest bearing.

4. OTHER CURRENT ASSETS

	31 December, 2008	31 December, 2007
Christina Beheer- en Adviesmaatschappij B.V.	38,473	(5,531)
Serpering Investments B.V.	(3,840)	–
Ziggo B.V.	12,106	–
Zesko B.V	–	312
Net intercompany account	46,739	(5,843)

5. SHAREHOLDER'S EQUITY

The Company is incorporated as a private limited liability company under Dutch law. Its' registered capital fully consists of ordinary shares.

	31 December, 2008	31 December, 2007
Authorised capital		
Ordinary shares 40,000 of €500 each	20,000	20,000
Issued and fully paid (19,625 shares)	9,813	9,813
Share premium	1,394,953	1,394,953
Retained earnings	(206,665)	(44,728)
Net income (loss) for the period	(223,836)	(161,937)
Total	974,265	1,198,101

6. PROVISION FOR THE NET CAPITAL DEFICIENCY OF INVESTMENTS

	2008	2007
Opening Balance at 1 January	(366,849)	(72,249)
Disposal of subsidiaries	–	183
Result Participations	(260,853)	(294,783)
Closing Balance at 31 December	(627,702)	(366,849)

As at 31 December 2008 the Company is the sole shareholder of:

Christina Beheer- en Adviesmaatschappij B.V.
Serpering Investments B.V.
Torenspits II B.V.

Equity of all three subsidiaries is negative, consequently the investments are presented within "Provision for the net capital deficiency of investments.

7. OTHER CURRENT LIABILITIES

	31 December, 2008	31 December, 2007
Accounts payable	2,093	2,093
Accrued expenses	345	625
	2,438	2,718

8. RELATED PARTY DISCLOSURES

Identification of related parties

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party making financial or operational decisions. The related parties comprise associated companies, key-management personnel and close family members of related parties.

Transactions and positions

As part of the financing of the @Home-acquisition, Even Investments 2 Sàrl, the parent company of Amsterdamse Beheer- en Consultingmaatschappij B.V., contributed an additional € 779.1 million as share premium to Amsterdamse Beheer- en Consultingmaatschappij B.V. during the year 2007.

In the normal course of business, Amsterdamse Beheer- en Consultingmaatschappij B.V. maintains various types of ordinary business with related parties (mainly as a provider of internet, television and telephony services). These transactions are not considered material to Amsterdamse Beheer- en Consultingmaatschappij B.V., either individually or in the aggregate.

Remuneration

For the remuneration of the Board members reference is made to Note 22 in the consolidated financial statements.

9. SUBSEQUENT EVENTS

No material events occurred between the end of the reporting period and the date these financial statements were authorised for issue.

10. AUDITOR FEES

Expenses for services provided by the Company's independent auditor, Ernst & Young and its member firms and/or affiliates to Amsterdamse Beheer- en Consultingmaatschappij B.V. and its subsidiaries can be specified as follows:

	2008	2007
Audit fees	260	1,014
Audit-related fees	173	171
Other non-audit fees	155	47
Total	588	1,232

APPROPRIATION OF RESULT

The articles of association of the Company state that the distributable profits are at the disposal of the General Meeting of Shareholders for distribution of dividend or in order to be added to the reserves or for such other purposes within the Company's objects as the meeting shall decide.

It is proposed to add the result for the year 2008, which is a loss of € 223,836 to the retained earnings.

REGISTERED OFFICE OF THE ISSUER

Ziggo Bond Company B.V.
Winschoterdiep 60
9723 AB Groningen
The Netherlands

LEGAL ADVISORS TO THE ISSUER

As to U.S. law
Shearman & Sterling (London) LLP
Broadgate West
9 Appold Street
London EC2A 2AP
United Kingdom

As to Dutch law
Stibbe N.V.
Strawinskylaan 2001
1077 ZZ Amsterdam
The Netherlands

LEGAL ADVISORS TO THE INITIAL PURCHASERS

As to U.S. law
Latham & Watkins (London) LLP
99 Bishopsgate
London EC2M 3XF
United Kingdom

As to Dutch law
Allen & Overy LLP
Apollolaan 15
1077 AB Amsterdam
The Netherlands

LEGAL ADVISOR TO THE TRUSTEE

White & Case LLP
5 Old Broad Street
London EC2N 1DW
United Kingdom

INDEPENDENT AUDITORS

Ernst & Young Accountants LLP
Antonio Vivaldistraat 150
1083 HP Amsterdam
The Netherlands

TRUSTEE AND SECURITY TRUSTEE UNDER THE INDENTURE

Deutsche Trustee Company Limited
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

PRINCIPAL PAYING AGENT UNDER THE INDENTURE

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

REGISTRAR, LUXEMBOURG PAYING AND TRANSFER AGENT AND LUXEMBOURG LISTING AGENT

Deutsche Bank Luxembourg S.A.
2, boulevard Konrad Adenauer
L-1115 Luxembourg

Ziggo Bond Company B.V.
€1,208,850,000
8% Senior Notes due 2018

OFFERING MEMORANDUM
