

LISTING PARTICULAR



Ziggo Finance B.V.

€750,000,000
6¹/₈% Senior Secured Notes due 2017

Ziggo Finance B.V., incorporated as a private limited company under the laws of the Netherlands (the “Issuer”) and owned 100% by a *Stichting*, or foundation, Stichting Holding Ziggo Finance (the “Parent”), is offering €750,000,000 aggregate principal amount of its 6¹/₈% senior secured notes due 2017 (the “Notes”). The Issuer will pay interest on the Notes semi-annually on each May 15 and November 15, commencing May 15, 2011. The Notes will mature on November 15, 2017.

The proceeds from the offering of the Notes will be used by the Issuer to fund one or more term loans (the “Facility E1 Loans”) under a new tranche (the “Facility E1 Tranche”) of an additional facility (“Facility E”) under the Senior Credit Agreement (as defined herein). Concurrently with the issuance of the Notes, amounts made available by the Issuer under the Facility E1 Tranche will be borrowed by Plinius Investments II B.V. and Serpering Investments B.V. (collectively, the “Facility E Borrowers”). Each of the Facility E Borrowers is an entity indirectly wholly owned by ABC B.V. (as defined herein). The Issuer is dependent upon payments under the Facility E1 Loans to make payments under the Notes. The Issuer will apply all payments it receives under the Facility E1 Loans, including in respect of principal, premiums and interest, to make corresponding payments under the Notes.

Some or all of the Notes may be redeemed prior to November 15, 2013 by paying 100% of the principal amount of such Notes plus a “make-whole” premium and at any time on or after November 15, 2013 at the redemption prices set forth in this offering memorandum. In addition, at any time on or prior to November 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 Facility E Borrowers and each of the other guarantors under the Senior Credit Agreement (collectively, the “Obligors”) will agree in the Covenant Agreement (as defined herein) to be bound by the covenants in the Indenture (as defined herein) that are applicable to them, as described in “Description of the Notes—Covenant Agreement”. The rights and remedies of the holders of the Notes against the Obligors upon any breach by an Obligor of its obligations under the Covenant Agreement are limited to a right to instruct the Issuer or the Security Trustee (as defined herein) or their respective nominees to accelerate the Facility E1 Loans and to vote in connection with any enforcement of the collateral securing the Senior Credit Agreement. See “Description of the Notes—Facility E, the Facility E1 Tranche and the Senior Credit Agreement—Voting Rights under the Senior Credit Agreement”. The holders of the Notes will not benefit, directly or indirectly, from many of the rights and protections granted to lenders under the Senior Credit Agreement, including any indirect benefit of the covenants contained in the Senior Credit Agreement, other than the indirect benefit of the payment of obligations of the Obligors in respect of the Facility E1 Loans, the indirect benefit of the security granted for the benefit of all lenders under the Senior Credit Agreement and certain other limited indirect benefits and rights. **None of ABC B.V. or any of its subsidiaries will guarantee the Notes or provide any credit support to the Issuer with respect to its obligations under the Notes.** Holders of the Notes will not have a direct claim on the cash flow or assets of ABC B.V. or any of its subsidiaries, and neither ABC B.V. nor any of its subsidiaries has any obligation, contingent or otherwise, to pay amounts due under the Notes or to make funds available to the Issuer for those payments, other than the obligations of the Obligors under the Senior Credit Agreement to make payments to the Issuer as a lender under the Senior Credit Agreement and the Facility E1 Loans. **The financial statements of ABC B.V. are included herein for informational purposes only.**

The Notes will be general obligations of the Issuer. The Notes will be secured by a first-ranking security interest over all of the capital stock and bank accounts of the Issuer and a first-ranking security interest over the Issuer’s rights as a lender under the Facility E1 Loans and the Facility E1 Tranche. For a description of the terms of the Notes, see “Description of the Notes”.

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.

This offering memorandum constitutes a prospectus for the purpose of the Luxembourg law dated July 10, 2005 on Prospectuses for Securities

Investing in the Notes involves risks that are described in the “Risk Factors” section beginning on page 22 of this offering memorandum.

Price: 100.000%

The Notes 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 October 29, 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

Deutsche Bank

Morgan Stanley

J.P. Morgan

Joint Lead Managers

BNP PARIBAS

The Royal Bank of Scotland

ING

Co-Managers

ABN AMRO

Natixis

Lloyds TSB Corporate Markets

Rabobank International

Nomura

Société Générale Corporate & Investment Banking

The date of this Listing Particular is February 23, 2011.

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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 such offers and sales are permitted.

IN CONNECTION WITH THIS OFFERING, CREDIT SUISSE SECURITIES (EUROPE) LIMITED (THE “STABILIZING MANAGER”) (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) 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 MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) 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 advisors 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 de l'Autorité des marchés 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 de portefeuille pour le compte de tiers*) and/or to qualified investors (*investisseurs qualifiés*) and/or to a closed circle of investors (*cercle restreint d'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 Monétaire 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 issuance, 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.

Spain. This offering has not been registered with the Commission 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 de julio 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 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas 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 October 19, 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 opening balance sheet of the Issuer as of October 19, 2010, which has been prepared in accordance with International Financial Reporting Standards as adopted by the European Commission for use in the European Union (“IFRS”). The Issuer intends to publish its first annual financial statements in respect of the year ended December 31, 2010. Financial statements will be published by the Issuer on an annual basis, and the Issuer will not prepare interim financial statements.

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 and the unaudited condensed consolidated interim financial statements of ABC B.V. as of and for the nine months ended September 30, 2009 and 2010. 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 and the unaudited condensed consolidated interim 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 ABC B.V. and its consolidated subsidiaries;
- all references to the “Issuer” are to Ziggo Finance B.V.;
- 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.;
- 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 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.;

- all references to “churn” are to the voluntary or involuntary discontinuance of services to a customer (includes transfers by subscribers who relocate within our network area and including transfers between different service tiers); the churn rate information presented herein is the percentage measure of the number of product subscriptions that have been discontinued 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 “Existing Notes” are to the €1,209 million senior notes due 2018 issued by Ziggo Bond Company B.V.;
- all references to “Facility E” are to the facility under the Senior Credit Agreement, pursuant to which the Issuer will fund the Facility E1 Loans with the proceeds of the Offering;
- all references to “Facility E Borrowers” are to Plinius Investments II B.V. and Serpering Investments B.V. as borrowers of amounts that the Issuer will make available in connection with the issuance of the Notes pursuant to the Facility E1 Loans;
- all references to “Facility E Commitment Letter” are to the the commitment letter under the Senior Credit Agreement pursuant to which the Issuer will, prior to issuance of the Notes, commit to make available to the Facility E Borrowers the Facility E1 Tranche of Facility E.
- 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 “Multikabel Business” are to the businesses and assets of Multikabel N.V.;
- all references to “Note Security Documents” are to “Note Security Documents” as defined in “Description of the Notes—Certain Definitions”;
- all references to “Note Collateral” are to “Note Collateral” as defined in “Description of the Notes—Certain Definitions”;
- all references to the “Obligors” are to the Facility E Borrowers and the Senior Facility Guarantors;
- 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 dated May 7, 2010 among the Issuer, the Guarantors, the Trustee, the senior agent under the Senior Credit Agreement, the Security Agent and others;
- all references to the “Parent” are to Stitching Holding Ziggo Finance, a foundation incorporated under the laws of the Netherlands;

- 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 and the partial repayment of the Term Loan C Facility, and to the extent any lenders under the Term Loan C Facility decline prepayment, the Term Loan A Facility as described in “Use of Proceeds”;
- all references to “RGUs” refer to Revenue Generating Units; refers to each subscriber receiving standard cable, broadband Internet or telephony services over our network. Thus, one subscriber who receives all three services would be counted as three 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 Senior Credit Agreement;
- all references to “Senior Facility Collateral” are to “Senior Facility Collateral” as defined in “Description of the Notes—Certain Definitions”;
- all references to “Senior Facility Guarantees” are to the guarantees granted by the Senior Facility Guarantors in connection with the Senior Credit Agreement;
- all references to the “Senior Facility Guarantors” are to, collectively, ABC B.V., Christina Beheeren Adviesmaatschappij B.V., Torensplits II B.V., Serpering Investments B.V., Plinius Investments II B.V., Ziggo Holding B.V., Ziggo B.V., Ziggo Netwerk B.V. as guarantors under the Senior Credit Agreement of the obligations of the Senior Facility Obligor under the Senior Credit Agreement, including the obligations of the Facility E1 Borrowers under the Facility E1 Tranche;
- all references to the “Senior Facility Security Documents” are to “Senior Facility Security Documents” as defined in “Description of the Notes—Certain Definitions”;
- 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 “Voting Deed Poll” are to “Voting Deed Poll” as defined in “Description of the Notes—Certain Definitions”;
- all references to “Warburg Pincus” are to Warburg Pincus LLC; and
- 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.

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 October 29, 2010 was \$1.3916 = €1.00.

	U.S.\$ per €1.00			
	Period Average ⁽¹⁾	High	Low	Period End
Year				
2005	1.2392	1.3480	1.1686	1.1833
2006	1.2662	1.3326	1.1820	1.3189
2007	1.3798	1.4858	1.2906	1.4583
2008	1.4697	1.5990	1.2452	1.3953
2009	1.3952	1.5094	1.2543	1.4331
Month				
August 2010	1.2899	1.3266	1.2665	1.2689
September 2010	1.3089	1.3630	1.2700	1.3620
October 2010	1.3896	1.4054	1.3691	1.3916
November 2010	1.3641	1.4192	1.3039	1.3039
December 2010	1.3220	1.3412	1.3087	1.3366
January 2011	1.3366	1.3702	1.2925	1.3697
February (through February 23, 2011)	1.3636	1.3823	1.3496	1.3742

(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, 3Q10 Update” and “Forecast: Enterprise Network Services, Worldwide, 2007-2014, 3Q10 Update” (together, the “Gartner Reports”), which represent data, research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc., and are not representations of fact. Each Gartner Report speaks as of its original publication date (and not as of the date of this offering memorandum) and the opinions expressed in the Gartner Reports are subject to change without notice. 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 September 30, 2010, we had approximately 3.1 million unique residential subscribers, which represents 77.6% of homes passed by our network. As of September 30, 2010, all of our 3.1 million unique residential subscribers subscribed to our standard cable services, 1.5 million subscribed to our broadband Internet services and 1.1 million subscribed to our telephony services. In addition, 55.9% 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 39%, 24% and 18%, 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 nine months ended September 30, 2010, our total revenue was €1,019.0 million, a 7.2% increase over the nine months ended September 30, 2009, and our Adjusted EBITDA was €586.8 million, a 13.1% increase over the nine months ended September 30, 2009. 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, as we believe, the reduction of

customer churn. For the nine months ended September 30, 2010, our blended ARPU was €32.92 per month, a €3.27 increase over the nine months ended September 30, 2009, and 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 4.1 million homes and served 3.1 million unique residential subscribers as of September 30, 2010, 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 September 30, 2010, we provided our standard cable services to all of our approximately 3.1 million unique residential subscribers, or 77.6% 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 September 30, 2010, approximately 1.7 million, or 55.9%, of our standard cable subscribers had activated smart cards, up from approximately 1.5 million or 45.8%, of our standard cable subscribers as of September 30, 2009. 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 €13.39 per month in the nine months ended September 30, 2010.

Digital Pay Television. As of September 30, 2010, of our approximately 1.7 million subscribers who had activated smart cards, approximately 0.9 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 nine months ended September 30, 2010, our digital pay television services generated an incremental ARPU (calculated based on the number of our subscribers who had activated smart cards) of €6.15 per month.

Broadband Internet. As of September 30, 2010, we provided our broadband Internet services to approximately 1.5 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 the majority of our network area, which is significantly faster than the maximum download speed of 40 Mbps currently offered by KPN over its digital subscriber line (“DSL”) network. We expect to complete the roll-out of 120 Mbps service across the rest of our network by the end 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 €20.77 per month in the nine months ended September 30, 2010.

Telephony. As of September 30, 2010, we provided our telephony services to approximately 1.1 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 (“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 nine months ended September 30, 2010, our telephony services generated an ARPU from subscriptions of €7.09 per month

(excluding subscribers who purchased our telephony services as part of our All-in-1 bundle) and an ARPU from usage of €12.08 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, we introduced several bundling options to allow our subscribers to choose combinations of standard cable, broadband Internet and telephony services in 2008. 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, as we believe, 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 September 30, 2010, we provided All-in-1 bundles to approximately 858,000 subscribers, an increase of 47.9% from September 30, 2009, and our All-in-1 bundle generated an ARPU of €41.31 in the nine months ended September 30, 2010.

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 September 30, 2010, we provided our standard cable services to approximately 3.1 million unique residential subscribers, or 77.6% 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 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 extends to within 300 meters of our subscribers’ homes on average. 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, customer care, 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 57.6% in the nine month period ended September 30, 2010, and in the nine month period ended September 30, 2010, our Adjusted EBITDA less capital expenditures (excluding integration capital expenditures) margin was 42.7%, 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 4.69x as of September 30, 2010. On a pro forma basis, after giving effect to the Refinancing, our net debt to Adjusted EBITDA ratio would have been 4.70x as of September 30, 2010.

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. ("UPC")). Bert Groenewegen, our Chief Financial Officer, joined us in March 2010. Prior to that, 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. As of September 30, 2010, we had 858,000 subscribers to our All-in-1 bundle, an increase of 278,000, or 47.9%, over the 580,000 subscribers as of September 30, 2009. 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 by 20% between October 2009 and September 2010. 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 are currently repositioning our business to business offering and have launched a marketing campaign 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. For example, in an auction organized by the Dutch government in April 2010, we acquired a national mobile license for 2×20 MHz in the 2.6 GHz spectrum band through a joint venture with UPC for approximately €1 million, and we are currently reviewing our options for entering the mobile market as an evolution of our current service offerings. 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 totaling 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 Complel) 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. The firm has more than \$30 billion in assets under management and has an active

portfolio of more than 110 companies. Warburg Pincus has invested approximately \$12 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, São Paulo and Shanghai.

The Refinancing

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

The Issuer

The Issuer was incorporated as a private limited company under the laws of the Netherlands on October 19, 2010, as a special purpose financing company for the purpose of facilitating the Offering and is owned 100% by the Parent, a Dutch *Stichting*, or foundation. The authorized share capital of the Issuer is €90,000 divided into 900 ordinary shares of €100 each, 180 of which have been issued. All of the issued shares of the Issuer are fully paid and are held by the Parent. These shares will be subject to a right of pledge granted by the Parent in favor of the Security Trustee dated the Issue Date.

The Issuer has no material business operations and upon completion of the Offering will have no material assets other than the Issuer's rights as a lender under the Senior Credit Agreement and the Facility E1 Loans. The Issuer has not engaged in any business activities or incurred any material liabilities since the date of its incorporation, other than those relating to the Offering and transactions related thereto. The proceeds from the Offering will be loaned by the Issuer to the Facility E Borrowers under the Facility E1 Loans pursuant to the Facility E. The Issuer is dependent on payments under the Facility E1 Loans by the Obligors under the Senior Credit Agreement in order to service its obligations under the Notes. See "Risk Factors—Holders of the Notes have limited recourse to the Issuer, as payments under the Notes are limited to the amount of certain payments received by the Issuer under the Facility E1 Loans and the related agreements". Any costs (including taxes) incurred by the Issuer in relation to the Offering will be reimbursed by the Obligors pursuant to an on-charge agreement between the Issuer and ABC B.V.

Brief Description of the Structure of the Offering

In connection with the Offering, the Issuer will enter into the Facility E Commitment Letter (as defined herein) with the agent under the Senior Credit Agreement and ABC B.V. and become a lender under the Senior Credit Agreement. Pursuant to the Facility E1 Commitment Letter, the Issuer will make available for borrowings under Facility E a principal amount equal to the aggregate principal amount of the Notes issued in the Offering. On the Issue Date, the Issuer will advance the proceeds of the issuance of the Notes to the Facility E Borrowers pursuant to the Facility E1 Loans and, in connection therewith, accede to the Priority Agreement (as defined herein).

Although the Issuer will become a lender under the Senior Credit Agreement, pursuant to the Voting Deed Poll that will be executed concurrently with the issuance of the Notes, the Issuer will effectively give up the right to vote on many matters requiring the vote of lenders under the Senior Credit Agreement. As a result, the holders of the Notes will not benefit, directly or indirectly, from many of the benefits, rights and protections afforded to the other lenders under the Senior Credit Agreement, including the direct or indirect benefit of the financial maintenance, affirmative and restrictive covenants in the Senior Credit Agreement. The holders of the Notes will benefit from the indirect benefit of the payment obligations of the Obligors in respect of the Facility E1 Loans, the indirect benefit of the Senior Facility Collateral securing such obligations and certain other limited indirect benefits, rights and protections. See "Description of the Notes—Facility E, the Facility E1 Tranche and the Senior Credit Agreement—Voting Rights under the Senior Credit Agreement".

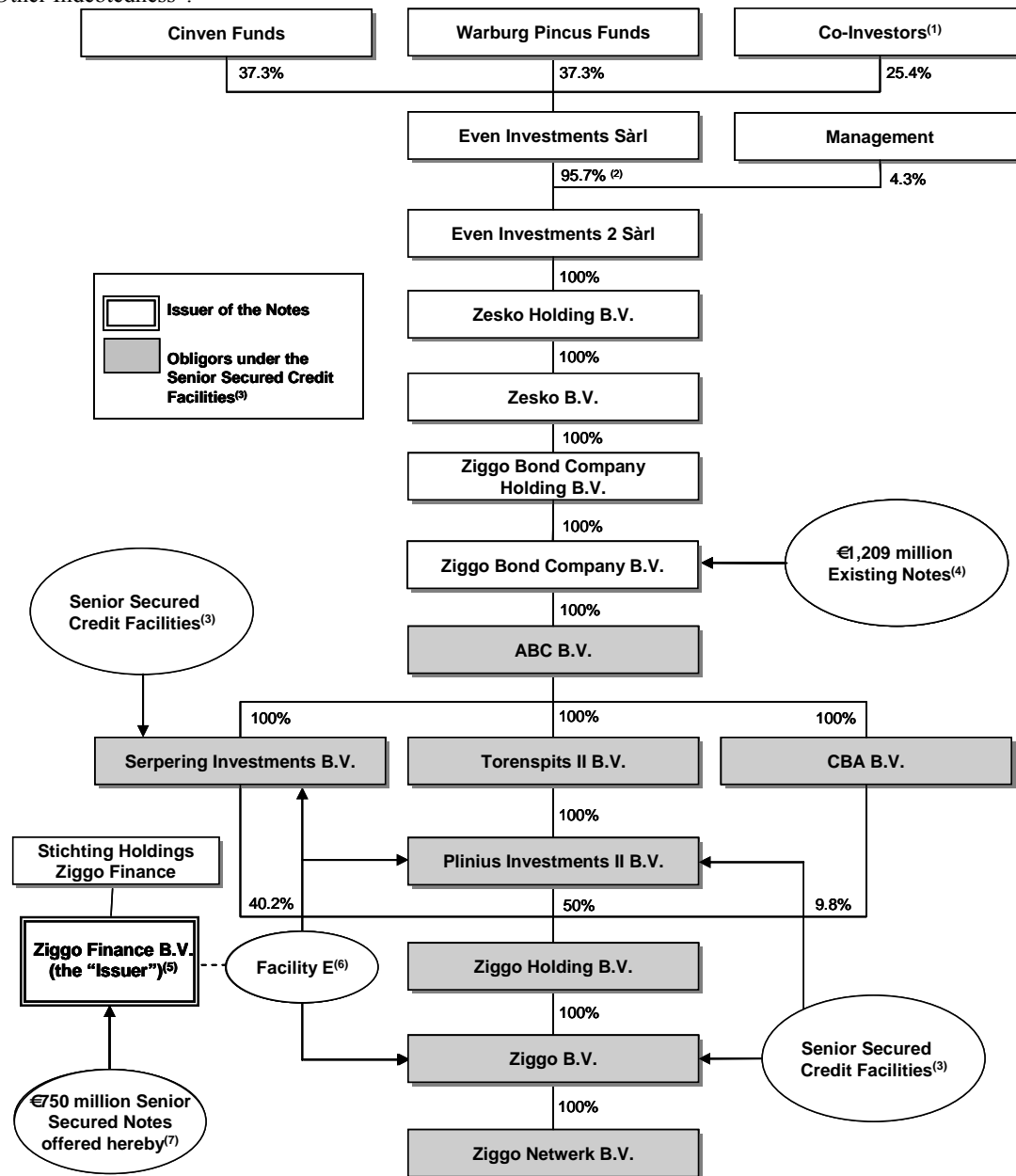
The holders of the Notes, however, will benefit from the Obligors' obligations under the Covenant Agreement, pursuant to which the Obligors will agree to be bound by the covenants in the Indenture that are applicable to them, other than, for the avoidance of doubt, any payment obligations under the Indenture or the Notes. The rights and remedies of the holders of the Notes vis-a-vis the Obligors upon any breach by an Obligor of its obligations under the Covenant Agreement are limited to a right to instruct the Issuer or the Security Trustee or any nominee thereof (as applicable) to accelerate the Facility E1 Loans in accordance with the terms of the Senior Credit Agreement and to vote, in accordance with the terms of the Voting Deed Poll, in connection

with any enforcement of the Senior Facility Collateral. See “Description of the Notes—Covenant Agreement” and “Description of the Notes—Facility E, the Facility E1 Tranche and the Senior Credit Agreement”.

The terms of the Senior Credit Agreement provide that, at any time a payment is due under the Indenture or the Notes, including principal of, or premium or interest on, the Notes (including at maturity, upon an optional redemption or in connection with an offer to purchase), the Facility E Borrowers will make corresponding payments under the Facility E1 Loans to enable the Issuer to make payment under the Indenture or the Notes, subject to the other terms of the Senior Credit Agreement. See “Description of the Notes—Facility E, the Facility E1 Tranche 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 Refinancing 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”.



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

(2) Approximately 2% 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 the Warburg Pincus Funds.

(3) The Senior Secured Credit Facilities are guaranteed on a senior basis by each of the Obligors. As of September 30, 2010, after giving effect to the Refinancing, we would have had €2,435.3 outstanding on the Senior Secured Credit Facilities. During the

nine months ended September 30, 2010 and during the year ended December 31, 2009, the Obligors generated 100% of our Consolidated EBITDA and held 100% of our consolidated total assets.

- (4) The Existing Notes are secured on a first-ranking basis by pledges over all of the shares of ABC B.V. and over Ziggo Bond Company B.V.'s rights under a loan to ABC B.V. representing the proceeds of the offering of the Existing Notes. The Existing Notes are guaranteed on a senior subordinated basis by ABC B.V., CBA B.V., Torensplits II B.V., Serpering Investments B.V., Plinius Investments II B.V., Ziggo Holding B.V., Ziggo B.V. and Ziggo Network B.V.
- (5) Ziggo Finance B.V. is owned 100% by the Parent, a *Stichting*, or foundation.
- (6) The proceeds from the issuance of the Notes will be on-lent to the Facility E Borrowers as borrowers of the Facility E1 Loans under the Facility E1 Tranche of Facility E of the Senior Secured Credit Facilities. Amounts borrowed by the Facility E Borrowers will be used by the Facility E Borrowers to prepay certain amounts outstanding under the Senior Secured Credit Facilities. See "Use of Proceeds".
- (7) The Notes will be general obligations of the Issuer and will be secured by a first-ranking pledge over all of the share capital and all bank accounts of the Issuer and a first-ranking assignment of the Issuer's rights as a lender under the Facility E1 Loans and the Facility E1 Tranche.

THE OFFERING

The following summary of the Offering contains basic information about the Notes, the Facility E1 Loans and the Senior Facility Guarantees thereof. 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 Finance B.V.
Notes Offered	€750 million aggregate principal amount of 6 ¹ / ₈ % Senior Secured Notes due 2017.
Issue Date	October 29, 2010.
Maturity Date	November 15, 2017.
Interest Payment Dates	Semi-annually in arrears on each May 15 and November 15, commencing May 15, 2011. Interest will accrue from the Issue Date.
Ranking of the Notes	The Notes will: <ul style="list-style-type: none"> • be general obligations of the Issuer; • be <i>pari passu</i> in right of payment to any future indebtedness of the Issuer; • will be secured directly by the Note Collateral, including a first-priority assignment of the Issuer’s rights under the Facility E1 Loans and the Facility E1 Tranche; • will benefit indirectly from the Senior Facility Collateral and the Senior Facility Guarantees; • will be effectively subordinated to any existing and future indebtedness of the Issuer that is secured by property or assets that do not secure the Notes, to the extent of the value of the property and assets securing such indebtedness; and • will be the only outstanding indebtedness of the issuer on the Issue Date.
Security	The Notes will be secured by security interests in the Note Collateral, including a first-ranking pledge over all of the share capital and all bank accounts of Ziggo Finance B.V. and a first-ranking assignment of the Issuer’s rights under the Facility E1 Loans and the Facility E1 Tranche of the Senior Secured Credit Facilities. See “Description of the Notes—Note Collateral”.
Ranking of the Facility E1 Loans	The Facility E1 Loans: <ul style="list-style-type: none"> • will be a general obligations of the Facility E Borrowers under the Facility E1 Loan; • will be guaranteed by the Senior Facility Guarantors; • will be secured by first-ranking Liens over the Senior Facility Collateral; • will be effectively subordinated to any existing and future indebtedness of the Facility E Borrowers that is secured by property or assets that do not secure the Facility E1 Loan, to the extent of the value of the property and assets securing such indebtedness; • will be <i>pari passu</i> in right of payment with all existing and future indebtedness of any Facility E Borrower that is not subordinated in right of payment to the Facility E1 Loan; • will be senior in right of payment to all existing and future indebtedness of the Facility E Borrowers that is subordinated in right of payment to the Facility E1 Loans; and • will be effectively subordinated to all obligations of ABC B.V.’s subsidiaries that are not Senior Facility Guarantors.
Ranking of the Senior Facility Guarantees	The Senior Facility Guarantee of each Senior Facility Guarantor: <ul style="list-style-type: none"> • will be a general obligation of such Senior Facility Guarantor; • will be secured by first-ranking Liens over the Senior Facility Collateral;

	<ul style="list-style-type: none"> • will be effectively subordinated to any existing and future indebtedness of such Senior Facility Guarantor that is secured by property or assets that do not secure such Senior Facility Guarantee, to the extent of the value of the property and assets securing such Indebtedness; • will be <i>pari passu</i> in right of payment with all existing and future indebtedness of such Senior Facility Guarantor that is not subordinated in right of payment to such Senior Facility Guarantee; and • will be senior in right of payment to all existing and future indebtedness of such Senior Facility Guarantor that is subordinated in right of payment to such Senior Facility Guarantee.
Senior Facility Collateral	<p>The obligations of the Obligor under the Facility E1 Loans will be secured by first-ranking Liens over:</p> <ul style="list-style-type: none"> • certain property and assets (including network assets) of the Obligor; • the Obligor's shares (other than the shares of ABC B.V.); and • the Obligor's bank accounts, intellectual property rights, receivables and movable and immovable assets.
Optional Redemption.....	<p>ABC B.V. may instruct the Issuer to, and upon receipt of such instruction the Issuer will, redeem all or part of the Notes on or after November 15, 2013 at the redemption prices as described under "Description of the Notes—Optional Redemption".</p> <p>Prior to November 15, 2013, ABC B.V. may instruct the Issuer to, and upon receipt of such instruction the Issuer will, redeem all or part of the Notes by paying a "make whole" premium as described under "Description of the Notes—Optional Redemption".</p> <p>Prior to November 15, 2013, ABC B.V. may instruct the Issuer to, and upon receipt of such instruction the Issuer will, 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 106.125% 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.</p>
Change of Control	<p>If ABC B.V. or the Issuer experiences a change of control, the Issuer 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".</p>
Redemption for Taxation Reasons	<p>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 or the Facility E1 Loans, the Issuer 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".</p>
Additional Amounts	<p>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".</p>
Certain Covenants.....	<p>The Indenture will limit, among other things, the ability of the Issuer, and the Covenant Agreement will limit, among other things, the ability of ABC B.V. and the other Obligor under the Senior Credit Agreement, to:</p> <ul style="list-style-type: none"> • 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;

	<ul style="list-style-type: none"> • 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; • impair the security interests for the benefit of the holders of the Notes; and • amend the Senior Credit Agreement.
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 the gross proceeds of the Offering to prepay certain amounts outstanding under the Senior Secured Credit Facilities. 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 and the Covenant Agreement will be governed by the laws of the State of New York. The pledge over all the capital stock and all bank accounts of Ziggo Finance B.V. will be governed by the laws of the Netherlands. The assignment of the Issuer’s rights as a lender under the Facility E1 Loans 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 October 19, 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 opening balance sheet of the Issuer as of October 19, 2010, which has been prepared in accordance with IFRS.

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 and the unaudited condensed consolidated interim financial statements of ABC B.V. as of and for the nine months ended September 30, 2009 and 2010. 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 and the unaudited condensed consolidated interim financial statements of ABC B.V. included herein and the accompanying notes thereto have been prepared in accordance with International Financial Reporting Standards as adopted by the European Commission for use in the European Union (“IFRS”).

The following table sets forth our summary consolidated financial information and other data for the periods ended and as of the dates indicated below. 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 summary consolidated financial information as of September 30, 2010 and for the nine months ended September 30, 2009 and 2010 has been derived from the unaudited condensed consolidated financial information included elsewhere in this offering memorandum. Our audited financial statements and the unaudited condensed financial information included elsewhere in this offering memorandum were prepared in accordance with IFRS and our audited financial statements were audited by Ernst & Young Accountants LLP, independent auditors, as set forth in their auditor’s report included elsewhere in this offering memorandum.

The unaudited consolidated financial information for the twelve months ended and as of September 30, 2010 set forth below was derived by adding our consolidated financial data for the year ended December 31, 2009 to our consolidated financial data for the nine months ended September 30, 2010 and subtracting our consolidated financial data for the nine months ended September 30, 2009. The unaudited consolidated financial information for the twelve months ended and as of September 30, 2010 has been prepared for illustrative purposes only and is not necessarily representative of our results of operations for any future period or our financial condition at any future date.

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,			Nine months ended September 30,		Twelve months ended September 30,
	2007	2008	2009	2009 ⁽¹⁾	2010 ⁽¹⁾	2010
	(€ in thousands)					
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)
Income Statement Data:						
Revenue by segment⁽²⁾						
Standard cable subscription revenue.....	473,586	482,575	431,862	331,068	284,690	385,484
Digital pay television services revenue	44,715	72,255	92,965	67,763	91,214	116,416
Total video revenues	518,301	554,829	524,826	398,831	375,904	501,899
Broadband Internet subscription revenue	313,409	316,702	231,925	181,922	133,514	183,517
Telephony subscription revenue	n.a.	44,816	33,086	26,034	18,257	25,309
Telephony usage revenue.....	n.a.	129,446	135,449	100,307	114,512	149,654
Total telephony revenue	140,590	174,262	168,535	126,341	132,769	174,963
Bundles subscription revenue⁽³⁾	—	70,140	228,245	153,317	285,106	360,034
Business services revenues	80,634	84,942	83,402	59,950	57,209	80,661

Revenue from other sources.....	40,972	37,738	47,462	30,043	34,458	51,877
Total revenues	1,093,906	1,238,613	1,284,395	950,404	1,018,961	1,352,952
Cost of goods sold.....	(161,636)	(236,112)	(255,481)	(183,492)	(190,100)	(262,089)
Personnel.....	(162,849)	(156,447)	(175,868)	(137,975)	(125,872)	(163,765)
Contracted work.....	(56,907)	(57,933)	(80,980)	(42,000)	(31,300)	(70,280)
Other expenses.....	(167,852)	(161,666)	(123,393)	(95,648)	(88,899)	(116,644)
Depreciation and amortization.....	(494,597)	(464,549)	(477,240)	(339,408)	(376,814)	(514,646)
Operating income	50,065	161,906	171,433	151,881	205,976	225,528
Net financial income (expense).....	(272,688)	(462,357)	(313,045)	(249,393)	(252,384)	(316,036)
Share of the profit (loss) of associates.....	(8)	—	—	—	—	—
Loss before income taxes	(222,631)	(300,451)	(141,612)	(97,512)	(46,408)	(90,508)
Income tax benefit (expense).....	60,694	76,615	36,111	24,863	11,834	23,082
Net income (loss)	(161,937)	(223,836)	(105,501)	(72,649)	(34,574)	(67,426)

	As of December 31,			As of
	2007	2008	2009	September 30,
	(€in thousands)			2010
	(Audited)	(Audited)	(Audited)	(Unaudited)
Balance Sheet Data:				
Assets				
Inventories.....	12,956	13,978	25,542	25,119
Trade accounts receivable.....	33,451	48,719	43,592	32,256
Other current assets.....	10,847	30,102	27,184	24,189
Cash and cash equivalents.....	121,748	42,541	65,271	62,531
Total current assets	179,002	135,340	161,589	144,095
Property and equipment.....	1,649,227	1,646,419	1,549,664	1,466,609
Intangible assets.....	3,897,233	3,718,436	3,593,060	3,443,216
Financial assets.....	50,976	899	368	343
Deferred income tax asset.....	107,194	129,313	138,513	123,482
Total non-current assets	5,704,630	5,495,067	5,281,605	5,033,650
Total assets	5,883,632	5,630,407	5,443,194	5,177,745
Shareholder's equity and liabilities				
Trade accounts payable.....	115,233	60,242	102,951	52,507
Deferred revenue.....	43,789	97,407	106,247	107,051
Current liabilities related parties.....	—	877	948	313
Other current liabilities.....	120,523	133,574	129,602	148,239
Total current liabilities	311,970	292,100	339,748	308,110
Loans from financial institutions.....	3,832,504	3,801,283	3,712,042	2,356,508
Loans payable to related parties.....	—	—	—	1,176,003
Derivative financial instruments.....	—	73,935	102,261	94,900
Provisions.....	3,078	5,093	—	—
Deferred income tax liability.....	537,979	483,731	447,528	424,366
Total non-current liabilities	4,373,561	4,364,042	4,261,831	4,051,777
Equity attributable to equity holders	1,198,101	974,265	841,615	817,858
Total equity and liabilities	5,883,632	5,630,407	5,443,194	5,177,745

	Year ended December 31,			Nine months ended	
	2007	2008	2009	September 30,	September 30,
	(€in thousands, except as otherwise indicated)			2009	2010
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Cash Flow Statement Data:					
Net cash flow from operating activities.....	581,442	603,836	687,709	463,123	565,903
Net cash flow from (used in) investing activities...	(1,771,335)	(278,093)	(253,576)	(158,023)	(133,315)
Net cash flow from (used in) financing activities ..	1,247,994	(401,701)	(411,403)	(293,899)	(435,329)
Net increase (decrease) in cash and cash equivalents.....	58,101	(75,958)	22,730	11,201	(2,740)

	Year ended and as of			Nine months ended		Twelve
	2007	2008	2009	and as of	and as of	months ended
	December 31,			September 30,	September 30,	and as of
	2007	2008	2009	2009	2010	September 30,
(€in thousands, except ratios)						

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,			Nine months ended September 30,		Twelve months ended September 30,
	2007	2008	2009	2009	2010	2010
	(€in thousands)					
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)
Operating profit	50,065	161,906	171,433	151,881	205,975	225,528
Depreciation and amortization	494,597	464,549	477,240	339,408	376,814	514,646
EBITDA	544,663	626,455	648,673	491,289	582,789	740,174

- (5) Integration operating expenses are operating expenses incurred in connection with the integration of our predecessor businesses.
- (6) 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, and €27.4 million and €4.0 million in the nine months ended September 30, 2009 and 2010, respectively. Integration operating expenses during the twelve months ended September 30, 2010 were €23.7 million.
- (7) 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.
- (8) Net debt represents gross borrowings less cash and cash equivalents.
- (9) Pro forma net debt is calculated as follows:

	As of September 30, 2010
	(€in thousands)
Actual net debt	3,581,620
less debt refinanced at completion of the Refinancing	(750,000)
plus the Notes	750,000
plus net cash outflow on the Issue Date	11,000
Pro forma net debt	3,592,620

- (10) Operating data related to our footprint, RGUs and penetration is presented as of the end of the period indicated.
- (11) 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, and 129,000 and 126,000 homes passed by third-party cable networks as of September 30, 2009 and 2010, respectively.
- (12) Equals the total number of standard cable subscribers who have activated smart cards as of the periods indicated. Only subscribers that have activated smart cards have access to our digital pay television services. As of September 30, 2010, approximately 0.9 million of our subscribers subscribed to one or more of our digital pay television services.
- (13) 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.
- (14) Operating data related to ARPU is presented in euro per month (excluding VAT) for the periods indicated.
- (15) 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 number of subscribers that have activated smart cards and dividing by 9 or 12, as applicable.
- (16) 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 9 or 12, as applicable. Data related to ARPU from telephony subscription are not available prior to 2008.
- (17) 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 9 or 12, as applicable. Data related to ARPU from telephony usage are not available for period prior to 2008.

- (18) 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 9 or 12, as applicable.
- (19) 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 9 or 12, as applicable, 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 (“IPTV”) as well as satellite providers, including Canal Digitaal, digital terrestrial television (“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 (“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 had approximately 193,000 IPTV subscribers as of June 30, 2010. 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 June 30, 2010, Digitenne provided DTT services to approximately 895,000 customers. We estimate that approximately 18% 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 attempted to implement new regulations designed to open the market to new third-party providers. However, we successfully appealed the decision in which we were found to have significant market power in the wholesale broadcasting market to the *College van Beroep voor het Bedrijfsleven* (Trade and Industry Appeals Tribunal), which nullified OPTA’s decision. See “Business—Regulation—The Netherlands”. As a consequence of this ruling regulations that would have required us and UPC to open our network to third parties to allow them to provide cable television service to customers using our network were revoked by OPTA. OPTA’s regulations fixed the monthly tariff that we would have been able to charge such third-party providers at €8.45 (excluding VAT), though third-party providers would have needed to incur additional expenses, such as marketing expenses, in order to provide their services effectively through our

network. Although our appeal of OPTA's decision was successful, OPTA has begun a new market analysis in response to the ruling and we may be found to have significant market power under the new analysis. If that is the case, and if OPTA is able to implement new regulations similar to the ones previously disallowed by the Trade and Industry Appeals Tribunal, we would expect to face new competition in the provision of analog and digital cable television services in our network area. In addition, such new regulations might 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 might 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, which 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 ("WiMax"), universal mobile telecommunications system ("UMTS"), and 3GPP Long Term Evolution ("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 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 ARPU 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 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 time frame. 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 since 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% of our total revenues as of September 30, 2010.

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 depend 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 assurance 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 June 29, 2010, we entered into a collective labor agreement covering the period from April 1, 2010 to April 1, 2011, with our employees' labor unions, which applies to approximately 95% of our employees (including non-union employees) and provides for, among other things, annual salary increases. 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, in March 2009, OPTA decided that we have significant market power in the wholesale broadcasting market. As a result, OPTA published a final decision on the implementation of new regulations that would have required us to open our cable network to third party providers of television services. We have successfully appealed OPTA's decision in the *College van Beroep voor het Bedrijfsleven* (Trade and Industry Appeals Tribunal), which has nullified OPTA's finding of significant market power. However, OPTA has begun a new market analysis in response to the ruling and we may be found to have significant market power under the new analysis. If we are found to have significant market power, we may be required to incur operating costs and capital expenditure in the future in order to comply with regulations enacted pursuant to the finding, and we may face new competition in the provision of analog and digital cable television services in our network area as a result of any new regulations. In addition, 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 the Structure

The Issuer is an unaffiliated special purpose financing company which will depend on payments under the Facility E1 Loans to provide it with funds to meet its obligations under the Notes.

The Issuer has been formed as a special purpose financing company for the primary purpose of facilitating the offering of the Notes. The Issuer has no material business operations, no subsidiaries and no employees and, upon completion of the offering of the Notes, its only material assets will be its rights as a lender under the Facility E1 Loans and the Senior Credit Agreement. Furthermore, the Indenture governing the Notes prohibits the Issuer from engaging in any activities other than certain limited activities permitted under the heading “Description of the Notes—Certain Covenants—Limitations on Issuer Activities”. As such, the Issuer will be wholly dependent upon payments from the Facility E Borrowers under the Facility E1 Loans, in order to service its payment obligations under the Notes.

Even though the Notes will indirectly be secured by the Senior Facility Collateral and will share in any enforcement proceeds on a pari passu basis, most actions with respect to the Senior Facility Collateral will be controlled by the other lenders under the Senior Credit Agreement.

Even though the Notes will indirectly be secured by the Senior Facility Collateral and will share in any enforcement proceeds on a *pari passu* basis with the other lenders under the Senior Credit Agreement (other than the Term Loan D Facility), most actions with respect to the Senior Facility Collateral will be controlled by the lenders under the Senior Credit Agreement. In the event of an event of default under the Notes, the Trustee will be able to enforce the Loan Assignment but not the Senior Facility Collateral. Pursuant to the terms of the Senior Credit Agreement, any decision to accelerate the Notes following an event of default under the Notes will constitute an automatic event of default under the Senior Credit Agreement. However, any decision to enforce the Senior Facility Collateral requires a majority vote of all lenders (defined as 66 $\frac{2}{3}$ % of the total principal amount outstanding and total commitments under the Senior Credit Agreement). In addition, pursuant to Voting Deed Poll, the Facility E1 Loans, together with all future Facility E Loans, will be limited to a maximum vote of 25% in any such enforcement decision. Thus, the ability of holders of the Notes to enforce Senior Facility Collateral will be restricted. The 25% vote restriction will cease to be effective if the total principal amount of all Facility E Loans (including the Facility E1 Loans) represents 66 $\frac{2}{3}$ % of the total principal amount outstanding and total commitments under the Senior Credit Agreement. As of September 30, 2010, on a pro forma basis after giving effect to the Refinancing, the Facility E1 Loans would have represented 29% of the total outstanding indebtedness and total commitments under the Senior Secured Credit Facilities. As a result, in the event of an acceleration of the Notes following an event of default under the Notes, the Issuer will be required to accelerate the principal amount of the Facility E1 Loans. However, decisions regarding enforcement of the Senior Facility Collateral will be subject to the Voting Deed Poll and, as such, the Issuer’s (and indirectly the holders of the Notes’) ability to control those decisions may be limited. The other lenders under the Senior Credit Agreement may have interests that are different from the interests of the holders of the Notes and they may not elect to enforce the Senior Facility Collateral at a time when it would otherwise be advantageous for the holders of the Notes to do so.

The Senior Facility Collateral in favor of lenders under the Senior Credit Agreement will not be granted to the holders of the Notes.

The security interests in the Senior Facility Collateral will not be granted to holders of the Notes. Instead, such security interests have been or will be granted, as the case may be, in favor of the Security Agent under the Senior Credit Agreement, and the Issuer’s rights under the Facility E1 Loans will in turn serve as part of the Notes Collateral securing the obligations of the Issuer under the Notes. As a result, upon the occurrence of an event of default under the Notes, the Trustee and the holders of the Notes will not have the right to enforce the Senior Facility Collateral directly but, instead, must accelerate the Notes and then seek to enforce the Senior Facility Collateral under the Senior Credit Agreement (which is subject to the restrictions described under “—Even though the Notes will indirectly be secured by the Senior Facility Collateral and will share in any enforcement proceeds on a *pari passu* basis, most actions with respect to the Senior Facility Collateral will be controlled by the other lenders under the Senior Credit Agreement”). Furthermore, the Notes will not directly benefit from the terms of the Priority Agreement or the Parallel Priority Agreement that establishes the relative rights of, and the relative payment priorities of, among others, in the case of the Priority Agreement, the creditors under the Senior Secured Credit Facilities and certain hedge counterparties and, in the case of the Parallel Priority Agreement, the holders of the Existing Notes, certain hedge counterparties and the creditors under the Senior Secured Credit Facilities. The holders of the Notes must rely on the ability of the Issuer to

enforce its rights under the Priority Agreement or the Parallel Priority Agreement. This indirect claim over the Senior Facility Collateral could delay or make more costly any realization of the Senior Facility Collateral. Furthermore, because the Indenture and the Notes will be governed by New York law and the Senior Facility Collateral and the security interest in the Note Collateral will be governed by the laws of The Netherlands and England, as applicable, realization may be further delayed by court proceedings in multiple jurisdictions.

Creditors under the Senior Secured Credit Facilities are entitled to be repaid with the proceeds of the Senior Facility Collateral that is sold in any enforcement sale on a pari passu basis with the Facility E1 Loans and the value of the Senior Facility Collateral may not be sufficient to satisfy the Facility E Borrowers' obligations under the Facility E1 Loans.

The security granted in favor of the Facility E1 Loans also secures all other indebtedness existing under the Senior Secured Credit Facilities as a whole on a *pari passu* basis (other than amounts outstanding under the Term Loan D Facility, which are secured on a junior basis). In the event of a foreclosure on the liens over the Senior Facility Collateral, any proceeds received by the security agent in respect of the Senior Secured Credit Facilities from the sale of such collateral would be distributed to repay on a *pari passu* basis all of the creditors under the Senior Secured Credit Facilities other than the creditors under the Term Loan D Facility.

No appraisals of any Senior Facility Collateral have been prepared in connection with this Offering. The value of the Senior Facility Collateral at any time will depend on market and other economic conditions, including the availability of suitable buyers, the jurisdiction in which the enforcement action or sale is completed and the ability to readily liquidate the Senior Facility Collateral. Each of these factors or any challenge to the validity of any arrangements governing creditors' rights under the Senior Secured Credit Facilities could reduce the proceeds realized upon enforcement of the Senior Facility Collateral. Consequently, there can be no assurance that the proceeds from the sale of the Senior Facility Collateral will be sufficient to satisfy the obligations under the Facility E1 Loans. In addition, there can be no assurance that the Senior Facility Collateral could be sold in a timely manner, if at all.

The realization of the security interests in the Senior Facility Collateral will be subject to practical problems generally associated with the realization of security interests in collateral. For example, the Security Agent may be required to obtain the consent of a third party to obtain or enforce a security interest in a contract. We cannot assure you that the Security Agent will be able to obtain any such consent. We also cannot assure you that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Accordingly, the Security Agent may not have the ability to foreclose upon those assets and the value of the Senior Facility Collateral may significantly decrease.

The Facility E Borrowers and the other Obligors may not have the ability to raise the funds necessary to finance required prepayments of the Senior Secured Credit Facilities in the event of a change of control under the Indenture and the Notes.

Upon the occurrence of a change of control (as defined in the Senior Credit Agreement) and if the majority lenders thereunder so require, the Obligors will be required to prepay the Senior Secured Credit Facilities (other than Facility E). Upon the occurrence of certain events constituting a change of control (as defined in the Indenture), 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. The definitions of "change of control" under the Senior Credit Agreement and the Indenture are different. In the event any holders of Notes tender their Notes in such an offer, the Facility E Borrowers are required to make payments to the Issuer under the Facility E Loans equal to the purchase price of the Notes tendered in such offer.

The ability of the Obligors to prepay the Senior Secured Credit Facilities, including to make payments to the Issuer to fund the purchase price for any offer to purchase the Notes, upon a change of control would be limited by their access to funds at the time of the prepayment and the terms of their other debt agreements. The source of funds for these repayments would be their available cash or cash generated from other sources. If the Obligors are not able to make the required prepayment of the Senior Secured Credit Facilities, the Obligors would then be in default of their obligations under the Senior Credit Agreement (including Facility E to the extent applicable).

In addition, we expect that we would require third-party financing to make any mandatory prepayments of the Senior Credit Facilities upon a change of control. We cannot assure you that we would be able to obtain

such financing. Any failure by the Obligors to make the required mandatory prepayments upon a change of control would constitute a default under the Senior Credit Agreement and cause the acceleration of amounts due under the Senior Credit Agreement. 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.

Furthermore, the occurrence of certain events that might otherwise constitute a change of control under the Indenture 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 ABC B.V. 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.

Holders of the Notes have limited recourse to the Issuer, as payments under the Notes are limited to the amount of certain payments received by the Issuer under the Facility E1 Loans and the related agreements.

The obligations of the Issuer under the Indenture, the Notes and the Note Security Documents will be limited as set forth in the Indenture. All payments to be made by the Issuer under the Indenture, the Notes and the Note Security Documents will be made only from and to the extent of such sums received or recovered by or on behalf of the Issuer, the Trustee or the Security Trustee from the Note Collateral, including the Issuer’s rights under the Facility E1 Loans, the Senior Credit Agreement and its other assets. None of the Trustee, the Security Trustee or the holders of Notes will have any further recourse to the Issuer in respect thereof in the event that the amount due and payable by the Issuer under the Indenture, the Notes and the Note Security Documents exceeds the amounts so received under the Note Collateral or the Issuer’s other assets.

The Trustee and the holders of the Notes will not be permitted to take any action, commence any proceeding or petition a court for the liquidation of the Issuer, nor will they be permitted to enter into any arrangement, reorganization or insolvency proceeding in relation to the Issuer, whether under the laws of the Netherlands or other applicable bankruptcy laws. The obligations of the Issuer are solely obligations of the Issuer, and the Trustee, the Security Trustee and the holders of the Notes will not have any recourse against any of the directors, officers or employees of the Issuer for any claims, losses, damages, liabilities, indemnities or other obligations whatsoever in connection with any transactions contemplated by the Indenture, the Note Security Documents and the related documents. Having realized the Note Collateral and distributed the net proceeds thereof, in each case in accordance with the Indenture, none of the Trustee, the Security Trustee or the holders of the Notes may take any further steps to recover any sum still unpaid in respect to the Notes, the Indenture or any of the Note Security Documents or otherwise and all claims against the Issuer in respect of any such sum due still unpaid shall be extinguished.

Holders of the Notes have limited direct recourse to the Facility E Borrowers.

Except for the specific interests of the Issuer as a lender of the Facility E1 Loans under the Senior Credit Agreement or as otherwise expressly provided in the terms of the Indenture, no proprietary or other direct interest in the Issuer’s rights under or in respect of the Senior Credit Agreement exists for the benefit of the holders of the Notes. Furthermore, subject to the terms of the Indenture, no holder of Notes can enforce any provision of the Senior Credit Agreement or have direct recourse to the Facility E Borrowers as borrowers except through an action by the Trustee or Security Trustee pursuant to the rights granted to the Trustee and

Security Trustee under the Indenture and the Note Security Documents. Under the Indenture, the Trustee shall not be required to make proceedings to enforce payment under the Facility E1 Loans and the Senior Credit Agreement unless it has been indemnified and/or secured by the holders of the Notes to its satisfaction. In addition, neither the Issuer nor the Trustee is required to monitor the Facility E Borrowers' financial performance.

The holders of the Notes do not have any direct voting rights under the Senior Credit Agreement with respect to the Facility E1 Tranche and the voting rights of the Issuer under the Senior Credit Agreement are limited.

The holders of the Notes do not have any direct voting rights under the Senior Credit Agreement and the Issuer, as the lender under the Facility E1 Tranche, has limited voting rights under the Senior Credit Agreement. Other than in certain limited circumstances such as the enforcement of the Senior Facility Collateral or in connection with the amendment of certain rights of the Issuer as lender under the Facility E1 Tranche, the Issuer will be deemed to vote alongside the votes cast by the lenders under the other tranches of the Senior Secured Credit Facilities in a proportion identical to such lenders' split of votes. As a result of these voting arrangements, the holders of the Notes may not have effective control over enforcement actions or other matters relating to the Senior Credit Agreement. See "Description of the Notes—Facility E, the Facility E1 Tranche and the Senior Credit Agreement—Voting Rights under the Senior Credit Agreement".

The value of the Note Collateral securing the Notes may not be sufficient to satisfy the Issuer's obligations under the Notes and the Note Collateral may be reduced or diluted under certain circumstances.

The Notes are only secured by a share pledge over the capital stock of Ziggo Finance B.V., a pledge over the bank accounts of Ziggo Finance B.V. and an assignment over the Issuer's rights as lender of the Facility E1 Loans under the Senior Credit Agreement. Additional indebtedness of the Issuer that is permitted to be incurred under the Indenture will share the share pledge and account pledge on a *pari passu* basis. In the event of foreclosure on the Note Collateral securing indebtedness under the Notes, the proceeds from the sale of the shares of Ziggo Finance B.V. and the interests of the Issuer under the Facility E1 Loans and the Senior Credit Agreement may not be sufficient to satisfy the Issuer's obligations under these Notes or any additional debt that may be incurred by the Issuer in the future. The value of the Note 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 capital stock of Ziggo Finance B.V. in an ordinary sale and the availability of buyers. In addition, the capital stock of Ziggo Finance B.V. may be illiquid and may have no readily ascertainable market value.

Moreover, if the Issuer issues additional Notes under the Indenture or additional indebtedness under other indentures, holders of such additional Notes and such other indebtedness would benefit from the same collateral as the holders of the Notes being offered hereby (other than the assignment of the Facility E1 Loans), thereby diluting your ability to benefit from the liens on the Note Collateral that is shared.

It may be difficult to realize the value of the collateral securing the Notes.

The Note Collateral directly securing, and the Senior Facility Collateral indirectly securing, the Notes will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections as may be accepted by the Security Trustee, the Security Agent and any creditors that also have the benefit of liens on the Note Collateral or the Senior Facility Collateral from time to time, whether on or after the date the Notes are issued. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Note Collateral or the Senior Facility Collateral as well as the ability of the Security Trustee or Security Agent to realize or foreclose on such Note Collateral or Senior Facility Collateral, respectively.

No appraisals of any Note Collateral or Senior Facility Collateral have been prepared in connection with the offering of the Notes. The value of the Note Collateral or the Senior Facility Collateral at any time will depend on market and other economic conditions, including the availability of suitable buyers. By their nature, some or all of the pledged assets may be illiquid and may have no readily ascertainable market value. We cannot assure you that the fair market value of the Note Collateral or the Senior Facility Collateral as at the date of this offering memorandum exceeds the principal amount of the debt secured thereby. The value of the assets pledged as collateral for the Notes could be impaired in the future as a result of changing economic conditions, our failure to implement our business strategy, competition and other future trends.

The realization of the security interests in the Note Collateral and the Senior Facility Collateral will be subject to practical problems generally associated with the realization of security interests in collateral. For example, the Security Trustee and the Security Agent may be required to obtain the consent of a third party to obtain or enforce a security interest in a contract. We cannot assure you that the Security Trustee or the Security Agent will be able to obtain any such consent. We also cannot assure you that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Accordingly, the Security Trustee and the Security Agent may not have the ability to foreclose upon those assets and the value of the collateral may significantly decrease.

The rights of the lenders under the Senior Credit Agreement may be adversely affected by the failure to perfect security interests in collateral

Applicable law requires that a security interest in certain tangible and intangible assets can only be properly perfected and its priority retained through certain actions undertaken by the secured party and/or the grantor of the security. The liens in the Senior Facility Collateral may not be perfected with respect to the claims of the lenders under the Senior Credit Agreement if we or the Security Agent fails or is unable to take the actions necessary to perfect any of these liens. In addition, applicable law requires that certain property and rights acquired after the grant of a general security interest, such as real property, equipment subject to a certificate and certain proceeds, can only be perfected at or promptly following the time such property and rights are acquired and identified. The Security Agent may not monitor, or we may not comply with our obligations to inform the Security Agent of, any future acquisition of property and rights by us, and the necessary action may not be taken to properly perfect the security interest in such after-acquired property or rights. Such failure may result in the invalidity of the security interests in the Senior Facility Collateral or adversely affect the priority of the security interests in favor of the lenders under the Senior Credit Agreement against third parties. The Security Agent has no obligation to monitor the acquisition of additional property or rights by us or the perfection of any security interest.

The Obligors under our Senior Credit Agreement will have control over the Senior Facility Collateral, and the sale of particular assets could reduce the pool of assets securing the Senior Secured Credit Facilities.

The Indenture, the Senior Facility Security Documents and the Senior Credit Agreement will allow the Obligors to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of, as applicable, any income from the the Senior Facility Collateral. So long as no default or event of default under the Indenture governing the Notes or the Senior Credit Agreement would result therefrom, the Obligors may, among other things, without any release or consent by the Trustee, Security Trustee, Security Agent or holders of the notes, conduct ordinary course activities with respect to the Senior Facility Collateral, such as selling, factoring, abandoning or otherwise disposing of the Senior Facility Collateral and making ordinary course cash payments, including repayments of indebtedness.

The value of the Senior Facility Collateral may decrease because of obsolescence, impairment or certain casualty events.

The value of the properties that the Obligors own or lease and the real estate serving as Senior Facility Collateral may be adversely affected by depreciation and normal wear and tear or because of certain events that may cause damage to these properties. Although the Senior Credit Agreement will contain certain covenants in relation to the maintenance and preservation of assets, the Obligors will not be required to improve the Senior Facility Collateral. The Obligors will be obliged under the Senior Credit Agreement to maintain insurance with respect to the Senior Facility Collateral, but the proceeds of such insurance may not be sufficient to rebuild or restore such properties to their original condition prior to the occurrence of the events that caused the insured damages. Those insurance policies will most certainly not cover all the events that may conceivably result in damage to the Senior Facility Collateral.

Our significant leverage may make it difficult for us to service our debt, including the Facility E1 Loans, 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 September 30, 2010, on an as adjusted basis after giving effect to the Offering and the application of the proceeds thereof, our total borrowings would have been €2,435 million, including the Facility E1 Loans but excluding the proceeds loan with respect to the Existing Notes. In addition, the Obligors have guaranteed on a subordinated basis the

obligations of Ziggo Bond Company B.V. under the €1,209 million of Existing Notes outstanding as of September 30, 2010. Furthermore, as of September 30, 2010, we would have had approximately €150 million available to draw under the Revolving Credit Facility.

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 Facility E1 Loans to enable the Issuer to satisfy its 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 or other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations, including under the Facility E1 Loans. If we do not satisfy our debt obligations under the Facility E1 Loans, the Issuer will be unable to satisfy its obligations 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 Senior Credit Agreement governing the Senior Secured Credit Facilities contains, and the Indenture and the Covenant Agreement will contain, restrictions on our ability to incur 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 Senior Credit Agreement, the Indenture and the Covenant 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 payments to the Issuer pursuant to the Facility E1 Loans 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 amounts outstanding under the Senior Secured Credit Facilities, obtain additional financing, delay planned capital expenditures or investments or sell material assets.

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 our obligations under the Facility E1 Loans, which would prevent the Issuer from being able to satisfy its obligations under 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 our obligations under the Facility E1 Loans. 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, with the exception of the Facility E, indexed to the Euro Interbank Offered Rate (“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 Senior Credit Agreement, the Indenture and the Covenant Agreement 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 Senior Credit Agreement 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 Senior Credit Agreement 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, pursuant to the Covenant Agreement, we will agree to certain obligations in the Indenture 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 Senior Credit Agreement and the Covenant Agreement 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 Senior Credit Agreement and the Covenant Agreement, and a default under the Covenant Agreement would constitute a default under 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 Facility E1 Loans. Any such actions could force us into bankruptcy or liquidation, and we may not be able to repay our obligations under the Facility E1 Loans in such an event, in which case, the Issuer would not be able to meet its payment obligations under the Notes and the Indenture.

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.

Other than Facility E, 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.

Dutch fraudulent conveyance laws may affect the validity and enforceability of the Notes, the security interests in the Note Collateral, the Senior Facility Guarantees and the security interests in the Senior Facility Collateral.

Dutch law contains specific provisions dealing with fraudulent conveyance both in and outside of bankruptcy, the so-called *actio pauliana* provisions. The *actio pauliana* provisions offer 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 required for a successful challenge on grounds of fraudulent conveyance. If a Dutch court found that the issuance of the Notes, the granting of the security interests in the Note Collateral or any payments under any of them, the granting of the Senior Facility Guarantees or the security interest in the Senior Facility Collateral or any payments under any of them 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 interest in the Note Collateral or any payments under any of them, the granting of the Senior Facility Guarantees or the security interest in the Senior Facility Collateral or any payments under any of them could be nullified. As a result of such successful challenges, holders of the Notes may not enjoy the benefit of the Notes, the security interests in the Note Collateral, the Senior Facility Guarantees or the security interests in the Senior Facility Collateral and the value of any consideration that holders of the Notes received with respect to the Notes, the security interests in the Note Collateral, the Senior Facility Guarantees or the security interests in the Senior Facility Collateral 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 Parent, the Issuer or the Obligors as a result of the fraudulent conveyance.

Financial assistance laws and other limitations may adversely affect the validity and enforceability of the Notes, the security interests in the Note Collateral, the Senior Facility Guarantees and the security interests in the Senior Facility Collateral.

Each of the Senior Facility Guarantees and the amounts recoverable under the Notes, the security interests in the Note Collateral and the security interests in the Senior Facility Collateral will be limited to the maximum amount that can be guaranteed, issued or secured by the Issuer or a particular Obligor or security provider without rendering the relevant Note, the Senior Facility Guarantee, the security interests in the Note Collateral or the security interest in the Senior Facility Collateral voidable or otherwise ineffective under applicable law. Enforcement of the obligations under the Notes or the Note Security Documents against the Issuer or the Parent and enforcement of a Senior Facility Guarantee or the security interest in the Senior Facility Collateral against an Obligor will be subject to certain defenses available to the Issuer, the Parent or the relevant Obligor, as the case may be. These laws and defenses may include those that relate to financial assistance and regulations or defenses affecting the rights of creditors generally. If one or more of these laws and defenses are applicable, the Issuer, the Parent or an Obligor may have no liability or decreased liability under the Notes or its security interests in the Note Collateral, Senior Facility Guarantee or the security interest in the Senior Facility Collateral may be unenforceable.

Corporate benefit and other limitations under Dutch corporate law may affect the validity and enforceability of the Notes, the security interests in the Note Collateral, the Senior Facility Guarantees and the security interests in the Senior Facility Collateral.

Under Dutch law, the validity and enforceability of the Notes, the security interests in the Note Collateral, the Senior Facility Guarantees and the security interests in the Senior Facility Collateral may, in whole or in part, also be affected or limited to the extent that the obligations of the Parent, the Issuer or any of the Obligors are not within the scope of its objects and the relevant counterparty was aware or ought to have been aware (without inquiry) of this fact. The articles of association of the Parent, the Issuer and the Obligors permit the provision of guarantees and security. The articles of association of the Issuer permit the issuing of notes. However, the determination of whether a legal act (such as the issuing of a note or the granting of a guarantee or security interest) is within the objects of a company may not be based solely on the description of the articles of association of such company, 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 entering into a legal act by a company, in light of the benefits, if any, derived by such company from entering into such legal act, would have an adverse effect on the interest of the company, the legal act may be found to be voidable or the obligation resulting from such legal act (such as a note, a guarantee or a security interest) unenforceable upon the request of the relevant company or its administrator in bankruptcy. As a result, notwithstanding the provisions of the articles of association of the Parent, the Issuer and the Obligors, and notwithstanding that the board of directors of the Issuer has resolved that the issuing of the notes is within the corporate object and in the interest of the Issuer and the boards of directors of the Parent and the Obligors have resolved that the granting of the relevant guarantees and security interests is within the corporate object and in the interest of the Parent and the Obligors, no assurance can be given that a court would conclude that the issuing of the Notes or the granting of the security interests in the Note Collateral, the Senior Facility Guarantees or the security interests in the Senior Facility Collateral is indeed within the corporate object and in the interest of such companies. To the extent that the Parent, the Issuer, an Obligor or the administrator of the Parent, the Issuer or an Obligor successfully invokes the voidability or unenforceability of a Note, a security interest in the Note Collateral, a Senior Facility Guarantee or a security interest in the Senior Facility Collateral, such note, guarantee or security interest would be limited to the extent any portion of it is not nullified and remains enforceable.

The creation of the security interests in the Note Collateral and the security interests in the Senior Facility 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 Priority Agreement provides for the creation of a so-called “parallel debt obligation”. Pursuant to the parallel debt obligation included in the Priority Agreement, the Security Agent is the holder of a separate and independent claim equal to the total amount payable by the Obligors under the Senior Secured Credit Facilities. The parallel obligation is secured by the security interests in the Senior Facility Collateral. Similarly, the Note Collateral

Sharing Agreement contains separate and independent obligations of the relevant security providers, by way of parallel debt, to pay to the Security Trustee amounts equal to the amounts due by the Issuer to the holders of the Notes. The parallel obligations are secured by the rights of pledge purported to be created pursuant to the deed of pledge over the shares in the Issuer and the deed of pledge over the bank accounts of the Issuer. 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 the enforceability of rights under the Notes, the security interests in the Note Collateral, the Senior Facility Guarantees and the security interests in the Senior Facility Collateral.

The Parent, the Issuer and the Obligor are organized under the laws of the Netherlands and have their statutory seat (*statutaire zetel*) in the Netherlands. Consequently, in the event of a bankruptcy or insolvency event with respect to the Parent, the Issuer or an Obligor, 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.

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.

In case of bankruptcy or suspension of payments in respect of the Parent or the Issuer or an Obligor, the Security Agent or the Security Trustee, as the case may be, will be entitled to exercise the rights afforded by law to a secured party as if there were no bankruptcy or suspension of payment. However, bankruptcy or a suspension of payments involving any of the Parent or the Issuer or an Obligor would affect the position of the Security Agent or the Security Trustee, as the case may be, as a secured party in some respects, the most important of which are: (i) the competent court may as a general rule set a period of not more than four months during which the Security Agent or the Security Trustee, as the case may be, may not without the court's consent (a) claim the secured asset if it is under the control of (*in de macht van*) the insolvent party or, in the case of a bankruptcy, the trustee in bankruptcy (*curator*), or (b) seek recourse against the asset, and (ii) a trustee in bankruptcy may (x) give Security Agent or the Security Trustee, as the case may be, a reasonable period to exercise his rights, and (y) if the Security Agent or the Security Trustee, as the case may be, fails to sell the asset within that period, claim the asset and sell it, without prejudice to the entitlement of the Security Agent or the Security Trustee, as the case may be, to the proceeds after deduction of bankruptcy costs and taking into account his rank.

Enforcement of security interests may be limited by Dutch law.

Pursuant to the Note Security Documents and the Senior Security Documents, the Security Agent or the Security Trustee, as the case may be, may enforce the security interests created pursuant to such security documents in case of the occurrence of certain events.

In general, mortgages and pledges rank above other rights of priority, including the general priority right of the Dutch tax authorities on the tax debtor's assets. However, Dutch law provides for exceptions. For example, under certain circumstances, the Dutch tax authorities' priority right ranks above a non-possessory pledge on inventory (not including stock) found on the premises of the tax debtor (*bodemzaken*).

Enforcement of security rights in a Dutch court is subject to Dutch rules of civil procedure. In addition, foreclosure on Dutch law security rights (including allocation of the proceeds) is subject to Dutch law. Under Dutch law, security rights are in principle enforced through a public auction of the relevant assets. This auction has to be effected in accordance with the applicable provisions of the Dutch Civil Code (*Burgerlijk Wetboek*) and the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*). Under Dutch law, shares in a Dutch B.V. (private company with limited liability; *besloten vennootschap met beperkte aansprakelijkheid*) may only be transferred upon foreclosure in accordance with Dutch law and the relevant pledged company's articles of association as they read at the time of foreclosure.

The Security Agent or the Security Trustee, as the case may be, or the relevant security provider may request the competent court to approve a private sale of the encumbered assets. In the case of pledged assets (but not mortgaged assets), the Security Agent or the Security Trustee, as the case may be, and the relevant security provider may agree to an alternative enforcement procedure once the pledge has become enforceable. The Security Agent or the Security Trustee, as the case may be, may also request the competent court to determine that the pledged assets shall accrue to it for a price determined by the court. In relation to a mortgage, it is not possible to exclude the mortgagor's right to request the competent court to approve a private sale of the property.

The assignment of the Issuer's rights as a lender under the Senior Credit Agreement is governed by English law and purports to create security rights governed by English law. With respect to the enforcement by the courts of the Netherlands of security rights created or purported to be created under the assignment of the Issuer's rights as a lender under the Senior Credit Agreement we note that no conclusive case law in the Netherlands is available on the enforcement by the courts of the Netherlands of security rights established under and governed by laws other than the laws of the Netherlands. The enforcement and ranking of security rights and preferred rights in the Netherlands may be subject to restrictions and requirements applicable under Dutch law, which provides for a closed system and a mandatory ranking of security rights and preferred rights. The security rights created under the assignment of the Issuer's rights as a lender under the Senior Credit Agreement may only be given effect by the courts of the Netherlands, if they fit within the closed system of security rights existing under the laws of the Netherlands. A security right will for this purpose be compared with the security right under Dutch law that most closely resembles such security right and, if regarded as an equivalent security right, be treated as such and be given the same ranking as the comparable security right under Dutch law. This means that the secured party will not have more rights than are available to secured parties of the comparable security right under Dutch law. It is uncertain how a court of the Netherlands would treat a security right that differs materially from security rights available under the laws of the Netherlands.

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 limiting the deductibility of interest will actually be submitted to parliament and, if submitted, 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.

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. In addition, transfer restrictions with respect to the Notes which relate to exemptions provided for under the U.S. Investment Company Act of 1940, as amended, prohibit transfers except as provided under “Notice to Investors. As a result, you may not transfer or sell the Notes in the United States except to qualified institutional buyers within the meaning of Rule 144A under the U.S. Securities Act in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act and applicable state securities laws, and you may be required to bear the risk of your investment in the Notes for an indefinite period of time. 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 is organized under the laws of the Netherlands and does not have any assets in the United States. It is anticipated that some or all of the directors and executive officers of the Issuer 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 or its 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, the Issuer cannot 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 Market within a reasonable period after the Issue Date and to maintain such listing as long as the Notes are outstanding, the Issuer cannot assure you that the Notes will 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 Market 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 incorporated as a private limited company under the laws of the Netherlands on October 19, 2010, as a special purpose financing company for the purpose of facilitating the Offering and is owned 100% by the Parent, a Dutch *Stichting*, or foundation. The authorized share capital of the Issuer is €90,000 divided into 900 ordinary shares of €100 each, 180 of which have been issued. All of the issued shares of the Issuer are fully paid and are held by the Parent. These shares will be subject to a charge granted by the Parent in favor of the Security Trustee dated the Issue Date.

The Issuer has no material business operations and upon completion of the Offering will have no material assets other than the Issuer's rights as a lender under the Senior Credit Agreement and its rights under certain related agreements. The Issuer has not engaged in any business activities or incurred any material liabilities since the date of its incorporation, other than those relating to the Offering and transactions related thereto. The proceeds from the Offering will be loaned by the Issuer to the Facility E Borrowers pursuant to the Facility E1 Loans. The Issuer is dependent on payments by the Facility E Borrowers in order to service its obligations under the Notes. See "Risk Factors—Holders of the Notes have limited recourse to the Issuer, as payments under the Notes are limited to the amount of certain payments received by the Issuer under the Facility E1 Loans and the related agreements".

USE OF PROCEEDS

The gross proceeds from the sale of the Notes will be €750 million. We expect to use the proceeds of the Offering to refinance a portion of the amount outstanding under the Term Loan C Facility (as defined herein).

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

Sources	€in millions	Uses	€in millions
		Partially refinance amounts outstanding under the Senior Secured Credit Facilities ⁽¹⁾	
Notes offered hereby	750	Estimated transaction fees and expenses and other payments ⁽²⁾	750
Cash	11		11
Total sources	761	Total uses	761

(1) Represents the partial repayment of the Term Loan C Facility under the Senior Secured Credit Facilities. Under the Senior Credit Agreement, lenders under the Term Loan C Facility may decline prepayment. Should any lenders under the Term Loan C Facility decline prepayment, the declined amount must be applied to outstanding amounts under the Term Loan A Facility (as defined herein) as described in “Description of Other Indebtedness—Senior Secured Credit Facilities—Purpose”.

(2) Represents estimated fees and expenses related to the Refinancing, including underwriting fees and commissions, advisory fees and other transaction costs and professional fees.

CAPITALIZATION

The following table sets forth, on an unaudited consolidated basis, our cash and cash equivalents and capitalization as of September 30, 2010, on a historical basis and as adjusted to give effect to the Refinancing.

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 September 30, 2010 (€in millions)	
	Actual	As adjusted
Cash and cash equivalents⁽¹⁾	63	52
Debt (including current portion)		
Term Loan A Facility	94	94
Term Loan B Facility	1,100	1,100
Term Loan C Facility	991	241
Term Loan E Facility ⁽²⁾	—	750
Term Loan D Facility	250	250
Total gross secured debt	2,435	2,435
Existing Notes ⁽³⁾	1,209	1,209
Total gross debt	3,644	3,644
Unamortized funding costs and original issue discount ⁽⁴⁾	(112)	(98)
Shareholders’ equity⁽⁵⁾	818	800
Total capitalization	4,350	4,346

(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 deducting the portion of cash and cash equivalents to be utilized to pay fees and expenses associated with the Refinancing (estimated to be €11 million) from the cash and cash equivalents balance as of September 30, 2010.

(2) Reflects €750 million of gross proceeds from the issuance of the Notes on-lent to the Facility E Borrowers pursuant to the Facility E1 Loans.

(3) The Existing Notes were issued in May 2010 by Ziggo Bond Company B.V., the parent company of ABC B.V. Concurrently with the issuance of the Existing Notes, Ziggo Bond Company B.V. on-lent the proceeds of the issuance of the Existing Notes to ABC B.V.

(4) Unamortized funding costs and original issue discount are the unamortized portion of capitalized fees and expenses associated with the establishment of the Senior Secured Credit Facilities and the issuance of the Existing Notes, as well as the unamortized original issue discount associated with the Existing Notes. The pro forma unamortized funding costs and original issue discount are adjusted for the capitalized fees and expenses associated with the portion of the Senior Secured Credit Facilities which are being repaid pursuant to the Refinancing and includes capitalized fees and expenses associated with the Refinancing.

(5) The capitalized fees and expenses associated with the portion of the Senior Secured Credit Facilities which are being repaid pursuant to the Refinancing (net of estimated tax) have been deducted from pro forma total shareholders’ equity.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The Issuer was incorporated on October 19, 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 opening balance sheet of the Issuer as of October 19, 2010, which has been prepared in accordance with IFRS.

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 and the unaudited condensed consolidated interim financial statements of ABC B.V. as of and for the nine months ended September 30, 2009 and 2010. 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 and other data for the periods ended and as of the dates indicated below. 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. Our summary consolidated financial information as of September 30, 2010 and for the nine months ended September 30, 2009 and 2010 has been derived from the unaudited condensed consolidated financial information included elsewhere in this offering memorandum. Our audited financial statements and the unaudited condensed financial statements included elsewhere in this offering memorandum were prepared in accordance with IFRS and our audited financial statements 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,			Nine months ended September 30,	
	2007	2008	2009	2009	2010
	(€in thousands)			(Unaudited)	(Unaudited)
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Income Statement Data:					
Total revenues	1,093,906	1,238,613	1,284,395	950,404	1,018,961
Cost of goods sold.....	(161,636)	(236,112)	(255,481)	(183,492)	(190,100)
Personnel.....	(162,849)	(156,447)	(175,868)	(137,975)	(125,872)
Contracted work.....	(56,907)	(57,933)	(80,980)	(42,000)	(31,300)
Other expenses.....	(167,852)	(161,666)	(123,393)	(95,648)	(88,899)
Depreciation and amortization.....	(494,597)	(464,549)	(477,240)	(339,408)	(376,814)
Operating income	50,065	161,906	171,433	151,881	205,976
Net financial income (expense).....	(272,688)	(462,357)	(313,045)	(249,393)	(252,384)
Share of the profit (loss) of associates.....	(8)	—	—	—	—
Loss before income taxes	(222,631)	(300,451)	(141,612)	(97,512)	(46,408)
Income tax benefit (expense).....	60,694	76,615	36,111	24,863	11,834
Net income (loss)	(161,937)	(223,836)	(105,501)	(72,649)	(34,574)

	As of December 31,			As of September 30,
	2007	2008	2009	2010
	(€in thousands)			(Unaudited)
	(Audited)	(Audited)	(Audited)	(Unaudited)
Balance Sheet Data:				

Assets				
Inventories	12,956	13,978	25,542	25,119
Trade accounts receivable	33,451	48,719	43,592	32,256
Other current assets	10,847	30,102	27,184	24,189
Cash and cash equivalents	121,748	42,541	65,271	62,531
Total current assets	179,002	135,340	161,589	144,095
Property and equipment	1,649,227	1,646,419	1,549,664	1,466,609
Intangible assets	3,897,233	3,718,436	3,593,060	3,443,216
Financial assets	50,976	899	368	343
Deferred income tax asset	107,194	129,313	138,513	123,482
Total non-current assets	5,704,630	5,495,067	5,281,605	5,033,650
Total assets	5,883,632	5,630,407	5,443,194	5,177,745
Shareholder's equity and liabilities				
Trade accounts payable	115,233	60,242	102,951	52,507
Deferred revenue	43,789	97,407	106,247	107,051
Current liabilities related parties	—	877	948	313
Other current liabilities	120,523	133,574	129,602	148,239
Total current liabilities	311,970	292,100	339,748	308,110
Loans from financial institutions	3,832,504	3,801,283	3,712,042	2,356,508
Loans payable to related parties	—	—	—	1,176,003
Derivative financial instruments	—	73,935	102,261	94,900
Provisions	3,078	5,093	—	—
Deferred income tax liability	537,979	483,731	447,528	424,366
Total non-current liabilities	4,373,561	4,364,042	4,261,831	4,051,777
Total equity holders	1,198,101	974,265	841,615	817,858
Total equity and liabilities	5,883,632	5,630,407	5,443,194	5,177,745

	Year ended December 31,			Nine months ended September 30,	
	2007	2008	2009	2009	2010
	(€in thousands)				
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Cash Flow Statement Data:					
Net cash flow from operating activities	581,442	603,836	687,709	463,123	565,903
Net cash flow from (used in) investing activities ...	(1,771,335)	(278,093)	(253,576)	(158,023)	(133,315)
Net cash flow from (used in) financing activities ..	1,247,994	(401,701)	(411,403)	(293,899)	(435,329)
Net increase (decrease) in cash and cash equivalents	58,101	(75,958)	22,730	11,201	(2,740)

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 September 30, 2010, we provided our standard cable services to approximately 3.1 million unique residential subscribers, or 77.6% of homes passed by our network. According to Telecompaper, our national subscription market shares for television, broadband Internet and fixed telephony services were 39%, 24% and 18%, 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 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 September 30, 2010, 55.9% of our subscriber base had activated smart cards and received our digital television programming, compared to 45.8% as of September 30, 2009. For the nine months ended September 30, 2010, our digital pay television services generated an incremental ARPU (calculated based on the number of our subscribers who had activated smart cards) of €6.15 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 September 30, 2010 we provided All-in-1 bundles to 858,000 subscribers, compared to 580,000 subscribers as of September 30, 2009. 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 nine months ended September 30, 2010, our bundle ARPU was €41.31 per month and our blended ARPU was €32.92 per month, a €3.27 increase over the nine months ended September 30, 2009.

We believe our cable network, which passed approximately 4.1 million homes and served 3.1 million unique residential subscribers as of September 30, 2010, 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 55.9% as of September 30, 2010. We frequently update our digital pay television offerings in order to stay competitive, encourage customers to migrate to digital and increase our 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 September 30, 2010, 858,000 subscribers, or 27.7% of total subscribers, subscribed to an All-in-1 bundle, compared to 580,000 subscribers, or 18.2% of our total subscribers as of September 30, 2009. 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. Our All-in-1 product has helped drive an increase in total RGUs, which increased by 184,000 between September 30, 2009 and September 30, 2010. In addition, subscribers to our bundled products generate higher ARPU than our other subscribers. The increase in bundle subscribers during 2010 was the primary driver of our increase in blended ARPU, which increased from €29.65 for the nine months ended September 30, 2009 to €32.92 for the nine months ended September 30, 2010. 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 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, and €24.6 million for the nine months ended September 30, 2010. 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 standard 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. We estimate annual churn as of September 30, 2010 was approximately 9.4% for standard cable services, 7.3% for digital pay television services, 9.2% for broadband Internet services and 8.2% 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 assurance 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 and we incurred €4.0 million of integration operating expenses during the nine months ended September 30, 2010. We anticipate that total integration operating expenses

during the year ended December 31, 2010 will be approximately €8 million. 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 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 incurred €18.6 million in integration capital expenditure in the nine months ended September 30, 2010. We 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 the majority of our network area. 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 nine months ended September 30, 2010, we incurred non-integration capital expenditure excluding acquisition capital expenditures of €114.9 million, compared to €136.7 million during the nine months ended September 30, 2009. For the year ended December 31, 2009, we incurred non-integration capital expenditure excluding acquisition capital expenditures 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 other debt facilities (which have since been repaid) 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 or during the nine months ended September 30, 2010.

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 and as of September 30, 2009 and September 30, 2010.

	As of December 31,			As of September 30,	As of September 30,
	2007	2008	2009	2009	2010
	(in thousands, except percentages)				
Footprint					
Homes passed ⁽¹⁾	3,960	4,038	4,075	4,056	4,123
RGUs					
Standard cable					
<i>Non-bundle</i>	3,277	2,992	2,490	2,600	2,242
<i>All-in-1 bundle</i> ⁽²⁾	—	263	675	580	858
Total standard cable	3,277	3,255	3,165	3,180	3,100
<i>Of which activated digital television</i> ⁽³⁾	812	1,124	1,552	1,455	1,732
Broadband Internet					
<i>Non-bundle</i>	1,353	1,112	774	842	660
<i>All-in-1 bundle</i> ⁽²⁾	—	263	675	580	858
Total broadband Internet	1,353	1,375	1,449	1,422	1,518
Telephony					
<i>Non-bundle</i>	703	546	324	369	259
<i>All-in-1 bundle</i> ⁽²⁾	—	263	675	580	858
Total telephony	703	809	999	949	1,117
Total RGUs	5,333	5,439	5,613	5,551	5,735
<i>Total All-in-1 bundle subscribers</i> ⁽²⁾	—	263	675	580	858
Penetration					
Standard cable subscribers as % of homes passed ⁽⁴⁾	85.3%	83.0%	80.2%	81.0%	77.6%
Digital television as % of standard cable subscribers	24.8%	34.5%	49.0%	45.8%	55.9%
All-in-1 bundle subscribers as % of standard cable subscribers ⁽²⁾	—	8.1%	21.3%	18.2%	27.7%

(1) 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, and 129,000 and 126,000 homes passed as of September 30, 2009 and September 30, 2010, respectively.

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

(3) Equals the total number of standard cable subscribers who have activated smart cards as of the periods indicated. Only subscribers who have activated smart cards have access to our digital pay television services. As of September 30, 2010, approximately 0.9 million of our subscribers subscribed to one or more of 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. 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 3.3%, from 5.6 million as of September 30, 2009 to 5.7 million as of September 30, 2010, 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 280,000 subscribers as of September 30, 2010, from 580,000 subscribers as of September 30, 2009 to 858,000 subscribers as of September 30, 2010. In addition, our broadband Internet subscribers increased by 6.7% from 1.4 million subscribers as of September 30, 2009 to 1.5 million subscribers as of September 30, 2010. Our telephony subscribers increased by 17.7%, from 949,000 users as of September 30, 2009 to 1.1 million users as of

September 30, 2010. This increase in total RGUs was partially offset by a small decrease in our overall customer base of 2.5%, from 3.2 million as of September 30, 2009 to 3.1 million as of September 30, 2010.

Our total RGUs increased 3.2%, from 5.4 million as of December 31, 2008 to 5.6 million as of December 31, 2009, primarily due to an increasing number of our customers subscribing to our All-in-1 bundle. Subscriptions to our All-in-1 bundle increased by 412,000 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 and 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,			For the nine months ended September 30,	
	2007	2008	2009	2009	2010
	(€)				
ARPU per month⁽¹⁾					
Standard cable	12.63	12.94	13.15	13.13	13.39
Digital pay television ⁽²⁾	5.97	6.09	5.75	5.82	6.15
Broadband Internet	21.13	21.35	20.80	20.85	20.77
Telephony subscription ⁽³⁾	n.a.	6.02	6.42	6.34	7.09
Telephony usage ⁽⁴⁾	n.a.	14.13	12.50	12.68	12.08
Total telephony ⁽⁵⁾	20.39	n.a.	n.a.	n.a.	n.a.
All-in-1 bundle ⁽⁶⁾	—	40.78	40.12	40.30	41.31
Blended ARPU ⁽⁷⁾	25.40	28.60	29.93	29.65	32.92

(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 number of subscribers that have activated smart cards and dividing by 9 or 12, as applicable.

(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 9 or 12, as applicable. Data related to ARPU from telephony subscription are 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 9 or 12, as applicable. Data related to ARPU from telephony usage are 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 9 or 12, as applicable.
- (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 9 or 12, as applicable, and divided by the period's average monthly total standard cable RGUs.

Blended ARPU across all of our products was €32.92 per month in the nine months ended September 30, 2010, up €3.27 from € 29.65 in the nine months ended September 30, 2009. The increase in blended ARPU was primarily the result of 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 280,000 subscribers during the nine months ended September 30, 2010, from 580,000 subscribers as of September 30, 2009 to 858,000 subscribers as of September 30, 2010. The increase in blended ARPU was also the result of an increase of €0.26 per month in our standard cable service ARPU, which was caused partly by an increase in our standard cable subscription prices during the nine months ended September 30, 2010. Furthermore, the increase in blended ARPU was also caused by an increase in ARPU for digital pay television of €0.33 per month between September 30, 2009 and September 30, 2010. The increase in blended ARPU was partially offset by a decrease of €0.08 per month in our broadband Internet ARPU, which was caused by a decrease in the proportion of our broadband Internet subscribers choosing our premium, higher bandwidth service. The decrease in telephony usage was partially the result of an increase in the number of our subscribers who purchased 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.

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 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. The increase in blended ARPU was also the result of an increase of €0.21 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 €1.63 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, and €4.0 million of integration operating expenses during the nine months ended September 30, 2010. 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 and each of the nine months ended September 30, 2009 and 2010.

	For the year ended December 31,			For the nine months ended September 30,	
	2007	2008	2009	2009	2010
	(€in thousands)				
Operating expenses:					
Personnel	160,831	154,103	156,227	123,807	124,600
Contracted work	56,907	54,291	63,682	36,658	30,534
Other expenses ⁽¹⁾	143,559	117,056	113,488	87,739	86,925
Total	361,297	325,450	333,397	248,204	242,059

(1) Due to a reclassification of set-top boxes and materials used to connect customers to our network, during the years ended December 31, 2008 and 2009, €35.3 million and € 50.8 million, respectively, were reclassified from other expenses to cost of goods sold. For the nine months ended September 30, 2009 and 2010, cost of goods sold include €31.2 million and €24.6 million, respectively, for set-top boxes and other materials used to connect our customers to our network.

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 nine months ended September 30,			
	2009		2010	
	€	%	€	%
	(€in thousands, except percentages)			
Standard cable subscription revenue	331,068	34.83%	284,690	27.94%
Digital pay television services revenue	67,763	7.13%	91,214	8.95%
Total video revenues	398,831	41.96%	375,904	36.89%
Broadband Internet subscription revenue	181,922	19.14%	133,514	13.10%
Telephony subscription revenue	26,034	2.74%	18,257	1.79%
Telephony usage revenue	100,307	10.55%	114,512	11.24%
Total telephony revenue	126,341	13.29%	132,769	13.03%
All-in-1 bundles subscription revenue	153,317	16.13%	285,106	27.98%
Business services revenue	59,950	6.31%	57,209	5.61%
Revenue from other sources	30,043	3.16%	34,458	3.38%
Total revenues	950,404	100.00%	1,018,960	100.00%
Cost of goods sold	183,492	19.31%	190,100	18.66%
Personnel	137,975	14.52%	125,872	12.35%
Contracted work	42,000	4.42%	31,300	3.07%
Other expenses	95,648	10.06%	88,899	8.72%
Depreciation and amortization	339,408	35.71%	376,814	36.98%
Operating income	151,881	15.98%	205,975	20.21%
Net financial income (expense)	(249,393)	26.24%	(252,384)	24.77%
Share of the profit (loss) of associates	—	—	—	—
Loss before income taxes	(97,512)	10.26%	(46,409)	4.55%
Income tax benefit (expense)	24,863	2.62%	11,834	1.16%

Net income (loss)	(72,649)	7.64%	(34,575)	3.39%
Other financial information:				
EBITDA ⁽¹⁾	491,289	51.69%	582,789	57.19%
Adjusted EBITDA ⁽²⁾	518,708	54.58%	586,800	57.59%

(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 €27.4 million and €4.0 million for the nine months ended September 30, 2009 and 2010, respectively.

Nine Months Ended September 30, 2010 Compared to the Nine Months Ended September 30, 2009

Total revenues. Total revenue consists of revenues earned from subscription fees and usage fees, from business services and from other sources. Total revenue increased €68.6 million, or 7.2%, to €1,019.0 million for the nine months ended September 30, 2010 from €950.4 million for the nine months ended September 30, 2009. This increase was primarily the result of an increase of €3.27 per month in blended ARPU, which increased from €29.65 per month for the nine months ended September 30, 2009 to €32.92 per month for the nine months ended September 30, 2010.

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 €22.9 million, or 5.7%, to €375.9 million for the nine months ended September 30, 2010 from €398.8 for the nine months ended September 30, 2009. This decrease was primarily the result of a decrease in standard cable subscription revenues of €46.4 million, which was primarily caused by a shift in our subscriber base from individual services to the All-in-1 bundle. 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 2.6 million as of September 30, 2009 to 2.2 million as of September 30, 2010. The decrease in total video revenue was partially offset by an increase of €0.26 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 nine months ended September 30, 2010. The decrease in total video revenue was partially offset by an increase of €23.5 million 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 subscribers of our digital pay television services. The percentage of our total subscriber base that had activated smart cards increased from 45.8% as of September 30, 2009 to 55.9% as of September 30, 2010. Only subscribers who have activated smart cards are able to purchase our digital pay television services.

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 €48.4 million, or 26.6%, to €133.5 million for the nine months ended September 30, 2010 from €181.9 million for the nine months ended September 30, 2009. This decrease was primarily caused by a shift in our subscriber base from individual services to the All-in-1 bundle and less subscribers choosing our broadband Internet premium products.

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. Total Telephony services revenue increased €6.4 million to €132.8 million for the nine months ended September 30, 2010 from €126.3 million for the nine months ended September 30, 2009. This increase was primarily caused by an increase in telephony usage revenues from €100.3 million as of September 30, 2009 to €114.5 million as of September 30, 2010. This increase is primarily the result of a higher number of All-in-1 bundle subscribers using telephony. The increase in telephony usage revenues is partly offset by a decrease in telephony subscription revenue of €7.8 million to €18.3 million for the nine months ended September 30, 2010 from €26.0 million for the nine months ended September 30, 2009. This decrease was primarily the result of a shift in our subscriber base from individual services to the All-in-1 bundle.

Bundle subscription revenue. Bundle subscription revenue includes revenue from sales of subscriptions to our All-in-1 bundle. Bundle subscription revenue increased €131.8 million to €285.1 million in the nine months ended September 30, 2010 from € 153.3 million in the nine months ended September 30, 2009. This increase was primarily the result of an increase in our total number of bundle subscribers, from 580,000 as of September 30, 2009 to 858,000 as of September 30, 2010. The increase was also the result of an increase in bundle ARPU, which increased €1.01 per month, from €40.30 for the nine months ended September 30, 2009 to €41.31 for the nine months ended September 30, 2010.

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 €2.8 million, or 4.6%, to €57.2 million for the nine months ended September 30, 2010 from €60.0 million for the nine months ended September 30, 2009. 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 reconnection fees, other initial fees such as smart card fees and the sale of goods, including set-top boxes. Revenue from other sources increased €4.4 million, or 14.7%, to €34.5 million for the nine months ended September 30, 2010 from €30.0 million for the nine months ended September 30, 2009.

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 € 6.6 million, or 3.6%, to €190.1 million for the nine months ended September 30, 2010 from €183.5 million for the nine months ended September 30, 2009. This increase was primarily caused by an increase of €13.0 million in the signal costs and royalties that we paid for content procurement during the nine months ended September 30, 2010, which increased primarily because of an increase in sales of our pay television services of 34.6%. Cost of goods sold as a percentage of revenues decreased from 19.3% for the nine months ended September 30, 2009 to 18.7% for the nine months ended September 30, 2010. This decrease was primarily the result of a decrease in sales of set-top boxes and a decrease in interconnection tariffs that we pay third parties for connections to their networks. The cost of set-top boxes decreased €6.6 million to €24.6 million in the nine months ended September 30, 2010, compared to €31.2 million in the nine months ended September 30, 2009. Our costs of goods sold could increase in future periods if our sales of premium television receivers increase. Interconnection tariffs decreased by 2.2 million.

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 decreased € 12.1 million, or 8.8%, to €125.9 million for the nine months ended September 30, 2010 from €138.0 million for the nine months ended September 30, 2009, while average salaries increased as a result of new collective labor agreements and individual performances. The decrease in personnel expenses is mainly the result of replacing temporary external personnel, who on average are more expensive compared to internal personnel.

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 decreased €10.7 million, or 25.5%, to €31.3 million for the nine months ended September 30, 2010 from €42.0 million for the nine months ended September 30, 2009. Approximately €4.0 million of the decrease was the result of higher allocation of integration operating expenses to contracted work expense for the nine months ended September 30, 2009 compared to the nine months ended September 30, 2010.

Contracted work expenses excluding allocation of integration operating expenses decreased €6.2 million, or 16.9%, to €30.5 million for the nine months ended September 30, 2010 from €36.7 million for the nine months ended September 30, 2009. The decrease in contracted work expense was the result of decreased amounts paid to operators of external call centers and other contractors. During the nine months ended September 30, 2010 our call volumes decreased by 20% and part of our external sourcing was replaced by our internal call center.

Other expenses. Other expenses include materials and logistics costs, marketing and sales expenses, office expenses and other operating expenses. Other expenses decreased €6.7 million, or 7.1%, to €88.9 million for the nine months ended September 30, 2010 from €95.6 million for the nine months ended September 30, 2009. Approximately €6.0 million of the €6.7 million decrease was attributable to the allocation of integration operating expenses. Other expenses excluding allocation of integration operating expenses decreased €0.8 million, or 0.9%, to €86.9 million for the nine months ended September 30, 2010 from €87.7 million for the nine months ended September 30, 2009. The decrease in other expenses was also the result of a decrease in office expenses and other operating expenses during the nine months ended September 30, 2010.

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 €37.4 million, or 11.0%, to €376.8 million for the nine months ended September 30, 2010 from € 339.4 million for the nine months ended September 30, 2009. This increase was primarily due to an increase in depreciation related to a relatively high capital expenditure during the year ended December 31, 2009. The increase was also caused by an increase in amortization on software due to an impairment of €8.1 million during the nine months ended September 30, 2010.

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 €3.0 million, or 1.2%, to an expense of €252.4 million for the nine months ended September 30, 2010 from an expense of €249.4 million for the nine months ended September 30, 2009.

Income tax benefit. Income tax benefit decreased €13.0 million, or 52.4%, to €11.8 million for the nine months ended September 30, 2010 from a benefit of €24.9 million for the nine months ended September 30, 2009. This decrease was primarily the result of a lower net loss for the nine months ended September 30, 2010.

Net loss. As a result of the foregoing, net loss decreased €38.1 million to a loss of €34.6 million for the nine months ended September 30, 2010 from a loss of €72.6 million for the nine months ended September 30, 2009.

	For the year ended December 31,					
	2007		2008		2009	
	€	%	€	%	€	%
	(€in thousands, except percentages)					
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%
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- (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 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 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 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 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 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. 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 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 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 digital 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 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 then 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 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 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 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 EuroDocs 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 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 €91.5 million, or 18.6%, to €582.8 for the nine months ended September 30, 2010, from €491.3 million for the nine months ended September 30, 2009 and 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 €68.1 million, or 13.1%, to €586.8 for the nine months ended September 30, 2010, from €518.7 million for the nine months ended September 30, 2009 and 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 €27.4 million and €4.0 million for the nine months ended September 30, 2009 and 2010, respectively, and were €25.6 million, €50.6 million and €47.1 million for the years ended December 31, 2007, 2008 and 2009, respectively. 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 54.6% and 57.6% in the nine months ended September 30, 2009 and 2010, respectively, and 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 Senior Secured Credit Facilities and cash flow from operations to provide funds required for acquisitions and operations.

Our principal source of liquidity on an ongoing basis has been our operating cash flow. The proceeds from the Offering will be used to refinance certain amounts outstanding under the Senior Secured Credit Facilities. 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, as of September 30, 2010, we also had €150 million of drawing capacity under the Revolving Credit Facility under the Senior Secured Credit Facilities and a €250 million uncommitted Capital Expenditure Facility under the Senior Secured Credit Facilities. See “Description of Other Indebtedness—Senior Secured Credit Facilities”. During the nine months ended September 30, 2010, there were no drawings under these facilities and we do not expect to rely on them as sources of working capital in the future.

Overview of Financing Instruments Following the Refinancing

As of September 30, 2010, we had €62.5 million in cash and cash equivalents, €2,435.3 million of outstanding indebtedness under the Senior Secured Credit Facilities, which we expect to repay in part pursuant to the Refinancing, and €1,208.9 million of Existing Notes outstanding. Our interest expense for the nine months ended September 30, 2010 was €202.6, compared to €228.4 million in the nine months ended September 30, 2009. For the year ended December 31, 2009, our interest expense was €301.2 million.

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

- €1,208.9 million aggregate principal amount of Existing Notes; and
- €2,435.3 million outstanding as of September 30, 2010 under the Senior Secured Credit Facilities (including the Facility E1 Loans incurred in connection with the Offering).

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, 2009 and for the nine months ended September 30, 2009 and 2010.

	For the year ended December 31,			For the nine months ended September 31,	
	2007	2008	2009	2009	2010
	(in € thousands)				
	(audited)				
Cash flow from operating activities.....	581,442	603,836	687,709	463,123	565,903
Cash flow from (used in) investing activities.....	(1,771,335)	(278,093)	(253,571)	(158,023)	(133,315)
Cash flow from (used in) financing activities	1,247,994	(401,701)	(411,403)	(293,899)	(435,329)
Net increase (decrease) in cash and cash equivalents.....	58,101	(75,958)	22,730	11,201	(2,740)

Cash flow from operating activities. Cash flow from operating activities increased by €102.8 million from a cash inflow of €463.1 for the nine months ended September 30, 2009 to a cash inflow of €565.9 million for the nine months ended September 30, 2010. This increase was primarily driven by a decrease in our working capital of approximately €18 million and an increase in our operating income of €54 million. 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 from investing activities decreased by €24.7 million from a cash outflow of €158.0 million for the nine months ended September 30, 2009 to a cash outflow of €133.3 million for the nine months ended September 30, 2010. This decrease was primarily driven by a lower amount of capital expenditures of €133.5 million for the nine months ended September 30, 2010 compared to €159.4 million for the nine months ended September 30, 2009 partly offset by a decrease in interest received of €1.2 million. 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 increased by €141.4 million from a cash outflow of €293.9 for the nine months ended September 30, 2009 to a cash outflow of €435.3 million for the nine months ended September 30, 2010. This increase was primarily driven by the issuance of the Existing Notes and the repayment of outstanding amounts under our mezzanine credit facility in May 2010. The increase was also caused by €220.0 million of prepayments on our Senior Secured Credit Facilities during the nine months ended September 30, 2010, compared with €100.0 million of prepayments during the nine months ended September 30, 2009. 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 offering of the Existing Notes and the use of proceeds therefrom and 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	3,644,151	—	1,194,220	2,449,931

(1) Includes leases of office equipment and vehicles and various maintenance and support contracts primarily relating to the 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 nine months ended September 30, 2009 and 2010 and for the years ended December 31, 2007, 2008 and 2009.

	For the year ended December 31,			For the nine months ended September 30,	
	2007 ⁽¹⁾	2008	2009	2009	2010
	(€in thousands, except percentages)				
Capital Expenditures:					
Integration capital expenditure ⁽²⁾	34,892	66,051	42,262	21,238	18,572
Non-integration capital expenditure	187,986	172,291	208,022	136,700	114,916
Acquisition capital expenditure	—	33,260	1,445	1,445	—
Total capital expenditure	222,878	271,601	251,729	159,383	133,488
Capital expenditure ratio ⁽³⁾	17.2%	13.9%	16.2%	14.4%	11.3%

(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 nine months ended September 30, 2010, total capital expenditures were €133.5 million, of which approximately € 18.6 million was integration capital expenditure. We do not expect to incur integration capital expenditure in 2011 or beyond. Non-integration capital expenditures decreased €21.7 million to €114.9 million in the nine months ended September 30, 2010 from € 136.7 million in the nine months ended September 30, 2009. The decrease in non-integration capital expenditures was primarily 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, 2009, total capital expenditures were €251.7 million, of which approximately €42.3 million was integration capital expenditure. 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- and capacity-based. Success- and capacity-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- and capacity-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. We expect to incur approximately €190 million of total capital expenditures in 2010. We do not plan to make integration capital expenditures beyond 2010.

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 manage our exposure to interest rate risk and overall financing costs by entering into interest rate swap agreements. As of September 30, 2010 we had hedged approximately 75% of our variable interest debt. The fair value of these hedges amounted to a credit of €94.9 million as of September 30, 2010, compared to a credit of €102.3 million as of December 31, 2009.

Under IFRS, we apply hedge accounting for the effective portion of our interest rate swap positions, and any change in fair value of the effective portion is recorded in the cash flow reserve under the “Equity attributable to equity holders” line item. As of September 30, 2010 our cash flow hedge reserve amounted to a debt of €16.3 million, net of deferred tax, compared to a debt of €27.1 million, net of deferred tax, as of December 31, 2009.

The outstanding amount of our variable interest rate debt decreased by €1,181.1 million as a result of repayment of our mezzanine debt in May 2010, which left us over-hedged in respect of interest rate risk. Accordingly, we adjusted our hedge position by entering into new agreements to partially offset our existing interest rate swap agreements. The over-hedged position and the offset interest rate swap agreements are not subject to hedge accounting under IFRS. Accordingly, any change in fair value of such positions is recognized as financial income and expense.

As of September 30, 2010, the financial income and expense associated with changes in the fair value of our over-hedged and offset interest rate swap agreements included a loss of €7.9 million.

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 7.4 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 December 31, 2009, approximately 72.4% 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 (“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 was completed in the first half of 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 June 30, 2010, KPN had approximately 550,000 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 IP instead of being delivered through a traditional radio frequency broadcast, satellite signal or cable television format. According to Telecompaper, as of June 30, 2010, cable held a 68.8% share of the Dutch television market, terrestrial transmission systems a 11.1% share, satellite a 12.1% share, IPTV a 5.2% share and FttH a 2.8% share.

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 more than 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 minimal 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.

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 cannot 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, 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 (“DTT”). Analog terrestrial television was terminated in the Netherlands in 2006. Dutch DTT provides viewers with more channels (25 television channels and 18 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 (“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 Telecompaper, as of June 30, 2010, 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 150 Kbps 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 (“HSPA”), Universal Mobile Telecommunications System (“UMTS”), wireless local area network (“WLAN”), and Worldwide Interoperability for Microwave Access (“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 3.46 million connections as of June 30, 2010 (representing approximately 56.3% 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 and first and second quarters of 2010, marking the first quarters over which DSL lost customers since the launch of DSL-based broadband Internet services in 2002. According to Telecompaper, the number of DSL connections as of June 30, 2010 is the lowest total since the third quarter of 2008.

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 (“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 1.9% during the second quarter of 2010, with broadband via cable connections in the Netherlands reaching approximately 2.45 million as of June 30, 2010, representing approximately 39.9% 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 220,000, representing a 3.6% 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 300,000 consumer households were using UMTS/HSPA for broadband Internet access via laptops or PCs as of June 30, 2010, signifying that mobile broadband has been growing more slowly than expected. 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 June 30, 2010, 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 1.25 million VoIP users as of June 30, 2010. Ziggo ended the second quarter of 2010 with approximately 1.1 million VoIP users, keeping its place as the second-largest Dutch VoIP provider with a national market share of 28.4% (representing a gain of 0.4 percentage points over first half of 2010). UPC, which ended the first half of 2010 with approximately 0.7 million VoIP customers, has a national VoIP market share of approximately 18.0%. Cable recently overtook DSL as the number one VoIP technology access platform in the Netherlands, with a 48.4% market share as of June 30, 2010, compared to DSL's 47.5% market share. Rounding out the market is fiber-to-the-home, which had a 4.1% market share as of June 30, 2010.

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 12.5%, with DSL VoIP growing by 5.2% and cable VoIP growing by 16.8%, more than three times 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 69.5% as of June 30, 2009 to 74.6% as of June 30, 2010.

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-sized 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 September 30, 2010, we had approximately 3.1 million unique residential subscribers, which represents 77.6% of homes passed by our network. As of September 30, 2010, all of our 3.1 million unique residential subscribers subscribed to our standard cable services, 1.5 million subscribed to our broadband Internet services and 1.1 million subscribed to our telephony services. In addition, 55.9% 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 39%, 24% and 18%, 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 nine months ended September 30, 2010, our total revenue was €1,019.0 million, a 7.2% increase over the nine months ended September 30, 2009, and our Adjusted EBITDA was €586.8 million, a 13.1% increase over the nine months ended September 30, 2009. 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, as we believe, the reduction of customer churn. For the nine months ended September 30, 2010, our blended ARPU was €32.92 per month, a €3.27 increase over the nine months ended September 30, 2009, and 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 4.1 million homes and served 3.1 million unique residential subscribers as of September 30, 2010, 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 September 30, 2010, we provided our standard cable services to all of our approximately 3.1 million unique residential subscribers, or 77.6% 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 September 30, 2010, approximately 1.7 million, or 55.9%, of our standard cable subscribers had activated smart cards, up from approximately 1.5 million or 45.8%, of our standard cable subscribers as of September 30, 2009. 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 €13.39 per month in the nine months ended September 30, 2010.

Digital Pay Television. As of September 30, 2010, of our approximately 1.7 million subscribers who had activated smart cards, approximately 0.9 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 nine months ended September 30, 2010, our digital pay television services generated an incremental ARPU (calculated based on the number of our subscribers who had activated smart cards) of €6.15 per month.

Broadband Internet. As of September 30, 2010, we provided our broadband Internet services to approximately 1.5 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 the majority of our network area, which is significantly faster than the maximum download speed of 40 Mbps currently offered by KPN over its digital subscriber line (“DSL”) network. We expect to complete the roll-out of 120 Mbps service across the rest of our network by the end 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 €20.77 per month in the nine months ended September 30, 2010.

Telephony. As of September 30, 2010, we provided our telephony services to approximately 1.1 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 (“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 nine months ended September 30, 2010, our telephony services generated an ARPU from subscriptions of €7.09 per month (excluding subscribers who purchased our telephony services as part of our All-in-1 bundle) and an ARPU from usage of €12.08 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, we introduced several bundling options to allow our subscribers to choose combinations of standard cable, broadband Internet and telephony services in 2008. 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, as we believe, 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 September 30, 2010, we provided All-in-1 bundles to approximately 858,000 subscribers, an increase of 47.9% from September 30, 2009, and our All-in-1 bundle generated an ARPU of €41.31 in the nine months ended September 30, 2010.

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 September 30, 2010, we provided our standard cable services to approximately 3.1 million unique residential subscribers, or 77.6% 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 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 extends to within 300 meters of our subscribers' homes on average. 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, customer care, 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 57.6% in the nine month period ended September 30, 2010, and in the nine month period ended September 30, 2010, our Adjusted EBITDA less capital expenditures (excluding integration capital expenditures) margin was 42.7%, 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 4.69x as of September 30, 2010. On a pro forma basis, after giving effect to the Refinancing, our net debt to Adjusted EBITDA ratio would have been 4.70x as of September 30, 2010.

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. ("UPC")). Bert Groenewegen, our Chief Financial Officer, joined us in March 2010. Prior to that, 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. As of September 30, 2010, we had 858,000 subscribers to our All-in-1 bundle, an increase of 278,000, or 47.9%, over the 580,000 subscribers as of September 30, 2009. 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 by 20% between October 2009 and September 2010. 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 are currently repositioning our business to business offering and have launched a marketing campaign 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. For example, in an auction organized by the Dutch government in April 2010, we acquired a national mobile license for 2×20 MHz in the 2.6 GHz spectrum band through a joint venture with UPC for approximately €1 million, and we are currently reviewing our options for entering the mobile market as an evolution of our current service offerings. 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 September 30, 2010, we provided our standard cable services to approximately 3.1 million unique subscribers, or 77.6% of homes passed by our network. During the nine months ended September 30, 2010, our standard cable services accounted for approximately 27.94% of our total revenues and generated an ARPU of €13.39 per month, and 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 September 30, 2010, 55.9% 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 ⁽¹⁾	News
Nederland 3	General Interest	Duitsland 1 (ARD) ⁽¹⁾	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 ⁽¹⁾	Information
RTL 4	Entertainment	Euronews ⁽¹⁾	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	Euronews	News
Nederland 2 (HD).....	General Interest	Politiek 24.....	Politics
Nederland 3 (HD).....	General Interest	Aljazeera International	News
RTL 4	General Interest	ARD.....	General Interest
RTL 5	General Interest	ZDF.....	General Interest
SBS 6	General Interest	NDR.....	General Interest
RTL 7	General Interest	WDR.....	General Interest
Veronica / Disney XD	Kids Entertainment	SWR Fernsehen	General Interest
Net 5	Entertainment	RTL Television	General Interest
RTL 8	General Interest	Sat. 1	Entertainment
Ziggo TV.....	Information	Arte	Cultural, Arts
Preview TV.....	Information	TV5 Monde	French General Interest
Etalagekanaal	Ziggo Information	France 2	French General Interest
Zenderoverzicht.....	Information	Rai Uno.....	General Interest
3D-demokanaal (28/9)	Information	TVE	Information / Documentary
13TH STREET	Entertainment	TRT International	Turkish General Interest
Discovery Channel	Documentary	Omroep Zeeland	Regional Interest
National Geographic Channel	Documentary	TV Flevoland.....	Regional Interest
Nickelodeon / Comedy Central	Kids Entertainment	TV Drenthe.....	Regional Interest
Eurosport	Sport	TV Noord	Regional Interest

Animal Planet	Documentary	Omrop Fryslân.....	Regional Interest
MTV	Music	TV Oost	Regional Interest
TMF	Music	L1 Limburg.....	Regional Interest
CNN International	News	TV Utrecht.....	Regional Interest
BravaNL	Cultural	TV Gelderland.....	Regional Interest
Family 7	Family Entertainment	Omroep Brabant TV.....	Regional Interest
één.....	General Interest	AT 5.....	Entertainment / Local News
Ketnet / Canvas	Kids Entertainment	TV Noord-Holland.....	Regional Interest
BBC 1	General Interest	TV Rijnmond.....	Regional Interest
BBC 2	General Interest	TV West	Regional Interest
Eurosport HD	Sport	GoedTV	General Interest
BBC World News.....	News		

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, and increased €0.26, or 2%, to € 13.39 per month in the nine months ended September 30, 2010, as compared to the nine months ended September 30, 2009.

The price for our standard cable service as of September 30, 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 who have installed digital receivers and activated a smart card. As of September 30, 2010, approximately 1.7 million, or 55.9% of our standard cable subscribers had activated smart cards. During the nine months ended September 30, 2010, our digital pay television services accounted for 8.95% of our total revenues and generated an incremental ARPU (calculated based on the number of our subscribers that had activated a smart card) of €6.15 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 for free. We also offer subscribers a package of additional high definition channels for €5.95 per month, which includes high definition broadcasts of the Discovery Channel, the National Geographic Channel and the History Channel. SBS6 HD, Net5 HD, Veronica HD and Disney HD. 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 September 30, 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	16.95
Turkish package	6.95-21.95
Chinese package	9.95
Hindi package	24.95
Gay lifestyle package	9.95
HDTV package	5.95
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 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 the majority of our network area. We expect to complete the roll-out of 120 Mbps service for such subscribers across the rest of our network by the end of 2010.

As of September 30, 2010, we provided our broadband Internet service to approximately 1.5 million subscribers, or 37% 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 13% of our total revenues for the nine months ended September 30, 2010.

Telephony

We offer three general tiers of monthly telephony subscription service throughout our network area, Telefonie Z1, Telefonie Z1+ and Telefonie Z1+ unlimited. The basic service, Telefonie 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 September 30, 2010, we provided our telephony services to approximately 1.1 million subscribers, or 27% 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 nine months ended September 30, 2010, our telephony services generated an ARPU from subscriptions of €7.09 per month (excluding subscribers who purchased our telephony services as part of our All-in-1 bundle) and an ARPU from usage of €12.08 per month. During the nine months ended September 30, 2010, our total telephony revenues accounted for 13% of our total revenues. 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 5.6% of our total revenues for the nine months ended September 30, 2010 and 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 94.4% of our total revenues for the nine months ended September 30, 2010. 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 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 have also launched 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 (“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 four groups. Our Proposition Management group develops our product offerings, our content and entertainment propositions and our overall marketing strategy. Our Brand & Communications group builds our brand and designs our advertising. Our Research & Customer Insight group is responsible for general market research and for identifying groups of customers that are best placed to be targeted with advertising and promotions. Our Forecasting & Planning group’s responsibilities include our business planning and reporting.

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 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 during that period.

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 Market, 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 92% of our customers had enabled automatic bill payments.

Our Network

As of September 30, 2010, our network passed approximately 4.1 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 (“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 by the end of 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 September 30, 2010, approximately 126,000 of the approximately 4.1 million homes passed by our network were reached by a third-party-owned network.

In April 2010, one of our holding companies acquired, through a joint venture with UPC, a mobile license from the Dutch government of 2×20 MHz in the 2.6GHz spectrum band with a term of 20 years. 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 mobile broadband market as they arise.

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 (“DTA”)) and the *Mediawet* (the Dutch Media Act (“DMA”)) and related legislation and regulations. OPTA and the *Agentschap Telecom* (the Dutch National Telecom Agency (“AT”)) supervise and enforce compliance with certain parts of the DTA. Pursuant to the DTA, OPTA is also designated as a National Regulating Authority (“NRA”), together with the Dutch Ministry of Economic Affairs. The *Commissariaat voor de Media* (the Dutch Media Authority (“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 EU 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 EU directives that require the EU’s Member States to harmonize their laws and (ii) certain EU 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 EU 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 EU law, in particular the Audiovisual Media Services Directive (“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 EU 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 EU Member State must allow within its territory the free transmission of broadcast signals of a broadcaster established in another EU 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 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 imposed a number of obligations on us regarding access, non-discrimination, transparency (i.e., publication of a reference offer) and tariff regulation. However, OPTA's decision was overturned by the Trade and Industry Appeals Tribunal in an August 18, 2010 decision. No appeal is possible from this decision. The Trade and Industries Appeals Tribunal found that OPTA's market analysis was wrong in defining Ziggo's footprint as a separate geographical market, instead of defining the whole territory of the Netherlands as the relevant market. As a result, the Trade and Industries Appeals Tribunal determined that there was no longer a basis for the obligations imposed by OPTA and nullified OPTA's decision entirely.

On the basis of the OPTA decision we had granted our competitor Tele2 access to our broadcast transmission platform, limited to our analog television package. This resulted in a very limited number of our customers applying for a Tele2 subscription. As a result of the nullification of OPTA's decision, we no longer have an obligation to grant access. Nevertheless, we are currently discussing with Tele2 possibilities to cooperate in the field of analog television on a voluntary basis. As a part of those talks, we are also discussing how to find an adequate solution for those customers who had applied for a Tele2 subscription before the OPTA decision was overturned.

OPTA has recently started preparations for a new market analysis. The new market analysis may form the basis of a new decision on significant market power in the broadcasting market. It is expected that a new market analysis decision will be published around August 2011.

WLR-C tariff decision

OPTA's original 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). However, as a result of the nullification of OPTA's market analysis decision by the Trade and Industry Appeals Tribunal, the WLR-C tariff decision has become irrelevant and has been revoked by OPTA.

WLR-C implementation decision

OPTA's original broadcast market analysis decision also required us to submit a proposal (a "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. However, as a result of the nullification of OPTA's market analysis decision by the Trade and Industry Appeals Tribunal, the WLR-C implementation decision has also become irrelevant and has been revoked by OPTA.

Digital transmission capacity tariff decision

OPTA's original 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 initially postponed its review of our digital transmission cost model and will now no longer undertake such a review in light of the nullification of OPTA's market analysis decision.

Digital transmission capacity implementation decision

Finally, OPTA's original broadcast market analysis decision also required us to submit a reference offer to OPTA with respect to implementation of the digital transmission capacity decision. We submitted such a reference offer on November 2, 2009. Again, however, in light of the nullification of OPTA's market analysis decision, this issue has been rendered irrelevant.

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 Data Protection Act (*Wet bescherming persoonsgegevens*), 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 obligated 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 Wiretapping of Public Telecommunications Networks and Services Decree (*Besluit aftappen openbare telecommunicatienetwerken en—diensten*) and the Security Data Tapping Telecommunication Decree (*Besluit beveiliging gegevens aftappen telecommunicatie*).

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, although 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

We employed 2,379 full-time employees (including external personnel) as of September 30, 2010 and 2,517 full-time employees (including external personnel) as of September 30, 2009. We estimate that a small percentage of our employees are members of a labor union. On June 29, 2010, we entered into a collective labor agreement with our employees' labor unions, which applies to approximately 95% of our employees (including non-union employees) and provides for, among other things, annual salary increases.

As of September 30, 2010, 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 nine months ended September 30, 2010 or 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 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.

We are involved in a patent dispute with Rovi Corp, Starsight Telecast Inc. and GemStar Development Corporation (jointly, "GemStar"). GemStar holds a large patent portfolio related to electronic program guide ("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 initiated legal proceedings against us before the District Court in The Hague based on alleged infringement of one of these patents. In December 2009, another 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, including the patent which is now the subject of the aforementioned litigation. 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 (“Program Counsel”) 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 Councils 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 Councils, which could affect the popularity of our service. In addition, disputes with Program Councils may lead to negative publicity that affects our brand and market image. In the future, disputes with Program Councils 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 are also involved in a dispute with the municipality Gemeente Den Bosch in connection with an agreement related to television broadcasting. This agreement contains clauses restricting our ability to raise tariffs to the level of our current tariffs for our standard analog and digital television packages, elsewhere in our footprint. An arbitration procedure has been initiated with Gemeente Den Bosch with the goal of dissolving or amending this agreement.

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 €5.3 million in interest) in respect of potential claims by Den Bosch and €1.1 million (plus €1.2 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 (for the avoidance of doubt, the Issuer is not part of the consolidated tax group of Ziggo). 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 October 19, 2010. The sole statutory corporate director of the Issuer is Deutsche International Trust Company N.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 a partner in Cable Partners Europe between 2000 and 2003. Mr. Sukawaty was CEO and President of Sprint PCS in the United States from 1996 to 2000. Prior to this, he was Chief Executive Officer of NTL Limited. In the late 1970s and early 1980s, Mr. Sukawaty worked on the business development and establishment of various mobile telephone businesses for AT&T and US West in the United States.

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 an 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 Claey's Verbeke and Pels Rijcken & Droogleever Fortuijn between 1979 and 1997.

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.....	48	Vice President Customer Relations
Tom Verhulst.....	57	Vice President Operations
Dedi Veldhuis.....	59	Vice President Human Resources Management
Arent van der Feltz.....	50	Vice President Strategy, Legal & Regulatory Affairs / New Business Development
John Burger	50	Director Corporate Communications
Hendrik de Groot.....	46	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 advisor 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.

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 95.7% of the equity of Even Investments 2 Sàrl and our senior management owns approximately 4.3% of Even Investments 2 Sàrl's equity.

Cinven

Cinven is a leading private equity provider for large European buyouts, having led transactions totaling 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 forth 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 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 €0.4 million in the nine months ended September 30, 2010, and €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 agreements governing our debt obligations, 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 May 7, 2010, 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 “Senior Credit Agreement”). Plinius Investments B.V., Serpering Investments B.V. and Torensplits 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 borrowers and guarantors together with any such additional borrower and guarantors, the “Obligors”).

Structure

The 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, the Term Loan C Facility and the Term Loan E 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”).

The Senior Credit Agreement also provides for commitments to be made under the Term Loan E Facility. Concurrently with the issuance of the Notes, the Issuer will, as lender under the Term Loan E Facility, deliver to the agent under the Senior Secured Credit Facilities a commitment letter for Facility E (the “Facility E Commitment Letter”). Upon delivery of the Facility E Commitment Letter and issuance of the Notes, the Issuer will accede to the Senior Credit Agreement as lender under the Term Loan E Facility.

Purpose

Borrowings under the Term Loans (other than the Term Loan E Facility) 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 Loan A Facility, Term Loan B Facility, Term Loan C Facility or Term Loan D Facility. 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.

Borrowings under the Term Loan E Facility may only be used to finance fees and expenses relating to amounts loaned under the Term Loan E Facility and the repayment of the Term Loans other than the Term Loan D Facility. However, in the case of partial repayments of the Term Loan B Facility and/or the Term Loan C Facility, lenders under such facilities may decline to accept prepayment. In that case, the declined amount must be applied as follows:

- first in repayment of the Term Loan A Facility and the Capital Expenditure Facility in any manner that the Ziggo Group elects;
- second in prepayment of amounts outstanding under the Revolving Credit Facility or, if undrawn, cancellation of commitments under the Revolving Credit Facility;
- third in prepayment of letters of credit under the Revolving Credit Facility;
- fourth in prepayment of certain ancillary commitments provided by lenders in place of all or part of their commitments under the Revolving Credit Facility; and
- lastly in prepayment of the Term Loan D 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 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 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 Capital Expenditure Facility at a rate of 0.625% per annum.

The Facility E1 Tranche of the Term Loan E Facility will accrue interest at a rate of 6.125% per annum and will mature on November 15, 2017.

Security and Guarantees

The Senior Secured Credit Facilities as a whole are secured by a mortgage on certain assets (including network assets) of the Obligors and a first priority pledge over the Obligors' shares (other than the shares of ABC B.V.), bank accounts, intellectual property rights, receivables, moveable and immovable assets, and certain assigned agreements (relating to the acquisition of the Casema Business and the @Home Business). The security will not be enforceable until the occurrence of an event of default (under the Senior Credit Agreement) in respect of which a notice acceleration has been served.

The Senior Secured Credit Facilities are guaranteed irrevocably and unconditionally on a joint and several basis by each guarantor under the Senior Credit Agreement. Each guarantor under the Senior Credit Agreement guarantees to each Finance Party (as defined in the Senior Credit Agreement) the due and punctual performance of each Obligor of all its obligations under the Senior Finance Documents; such guarantor must also indemnify each Finance Party immediately on demand against any loss or liability (equal to the amount such Finance Party would otherwise have been entitled to recover) suffered by such Finance Party if any obligation expressed to be guaranteed by it is or becomes unenforceable, invalid or legal. The guarantee is a continuing guarantee (and not a suretyship (borgtocht)) which extends to the ultimate balance of all sums payable by any Obligor under the Senior Finance Documents, regardless of any intermediate payment or discharge, whether in whole or in part. The guarantee is in addition to, and is not in any way prejudiced by, any other security held by the Finance Parties

Covenants

The 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 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 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 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. The maturity date of the Facility E1 Loans is November 15, 2017.

Prepayments

Other than in respect of the Term Loan E Facility, 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 Senior Credit Agreement.

Other than in respect of the Term Loan E Facility, 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 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.

Notwithstanding the above, if ABC B.V. conducts an initial public offering of its equity securities, it may prepay amounts outstanding under the Term Loan D Facility, the proceeds loan entered into in connection with the offering of the Existing Notes and/or amounts outstanding under its shareholder loans if and to the extent that the Ziggo Group's ratio of Consolidated Net Borrowings (as defined in the Senior Credit Agreement) to Adjusted Consolidated EBITDA (as defined in the Senior Credit Agreement) is less than 4.5:1, calculated pro forma for any prepayment of debt with such proceeds that is required under the Senior Credit Agreement.

Events of Default

The 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 Senior Credit Agreement) are immediately due and payable. The rights of the Issuer as lender under the Term Loan E Facility to accelerate amounts outstanding under the Term Loan E Facility are subject to the limitations in the Deed Poll. See "Description of the Notes—Deed Poll". 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, including for acceleration of amounts due under the Notes, and certain judgment defaults;
- invalidity or unlawfulness of the Senior Finance Documents (as defined in the 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 (as defined below) or Parallel Priority Agreement (as defined in the Senior Credit Agreement) in any material respect.

In the case that amounts due under the Notes are accelerated, the Senior Credit Agreement provides that the facility agent for the Senior Secured Credit Facilities must, if so instructed by the Issuer, declare that an event of default has occurred in respect of the Term Loan E Facility and declare that all or part of any amount outstanding under the Term Loan E Facility are immediately due and payable and/or payable on demand by the Issuer.

Voting Deed Poll

For a description of the Deed Poll, please see “Description of the Notes—Facility E, the Facility E1 Tranche and the Senior Credit Agreement—Voting Rights under the Senior Credit Agreement”.

Priority Agreement

On September 12, 2006, ABC B.V., certain subsidiaries of ABC B.V., the Senior Creditors (which after the completion of the Offering will include the Issuer as lender under the Term Loan E Facility) 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 (as defined in the Priority Agreement) have otherwise agreed, no Obligor may make any payment, and no lender under the Term Loan D Facility (the “Facility D Lenders”) 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 (as defined in the Priority Agreement) 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 Creditors 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 (as defined in the Priority Agreement) 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 Credit 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 (a “Facility D 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
 - (a) the Majority Facility D Lenders (as defined in the Priority Agreement) 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 (each as defined in the Priority Agreement); 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

On May 7, 2010, in connection with the issuance of the Existing Notes due May 15, 2018, Ziggo Bond Company B.V., ABC B.V., the trustee and security trustee and the Security Agent, among others, entered into the Parallel Priority Agreement.

The Parallel Priority Agreement sets forth:

- 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.

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 (including amounts due to the Issuer as lender under the Term Loan E Facility), the Hedging Debt and the Group Note Debt, the Existing 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 Existing Notes; and
- (ii) the trustee, security trustee and any agent thereof under the indenture governing the Existing Notes; and
- (iii) in respect of the Group Note Debt and the liabilities of Ziggo Bond Company B.V. 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 Ziggo Bond Company B.V., the trustee and security trustee 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) the indenture governing the Existing Notes (including any guarantees contained therein);
- (ii) the Existing Notes;
- (iii) the guarantees of the Existing Notes;
- (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 by Ziggo Bond Company B.V. 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 Existing 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 the issuance of Existing Notes between Ziggo Bond Company B.V. as creditor and ABC B.V. as debtor under which Ziggo Bond Company B.V. lent the proceeds of the issue of such Existing 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 Ziggo Bond Company B.V. 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 the Existing Notes for its ongoing day-to-day administration of the Existing 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 for the Existing Notes 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 for the Existing Notes, 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 Existing Notes, the payment of which is provided for in the Existing Notes or the related indenture governing the Existing Notes and which payment is made no earlier than five days before the date on which the relevant scheduled interest payment by Ziggo Bond Company B.V. falls due under the terms of the Existing Notes or the indenture governing the Existing Notes 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 Ziggo Bond Company B.V. falls due under the terms of the Existing Notes or the indenture governing the Existing Notes;
- (ii) of additional amounts payable under applicable gross up provisions of the Existing Notes or the indenture governing the Existing Notes 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 Existing Notes or in the ordinary course day-to-day administration of the Existing 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 Existing Notes and the Proceeds Loans upon or after their originally scheduled maturity as set out in the Existing Notes or the indenture governing the Existing Notes 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 (the "Note Trustee Amounts") and Note Trustee Ordinary Course Amounts;
- (vii) constituting a payment by Ziggo Bond Company B.V. under the Existing 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 Ziggo Bond Company B.V. to the holders of the Existing Notes as a result of an early repayment, prepayment, repurchase or redemption of the underlying Existing Notes;

- (ix) by Ziggo Bond Company B.V. 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 for the Senior Secured Credit Facilities.

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 (as defined in the Parallel Priority Agreement)) 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% or more of Consolidated EBITDA or whose gross assets (excluding intra-group items) represent 10% 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 under the Existing Notes;

- (b) a period of not less than 179 days has passed from the date of receipt by the security agent for the Senior Secured Credit Facilities 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 for the Existing Notes, pay to the Security Agent or the trustee and security trustee for the Existing Notes for application as provided for in the Parallel Priority Agreement an amount determined by the Security Agent or the trustee and security trustee for the Existing Notes 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 the Parallel Priority 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 Existing 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 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 Existing 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 Existing 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 under the Existing Notes 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.

Existing Notes

On May 7, 2010, Ziggo Bond Company B.V., the parent company of ABC B.V., issued €1,209 million aggregate principal amount of 8% senior notes due May 15, 2018. The Existing Notes are senior obligations of the Ziggo Bond Company B.V. and senior subordinated obligations of certain subsidiaries of Ziggo Bond Company B.V. and interest at the rate of 8% per year. Interest on the Existing Notes is paid semi-annually each May 15 and November 15. The Existing Notes are secured on a first-ranking basis by pledges over all of the shares of ABC B.V. and over Ziggo Bond Company B.V.’s rights under a loan to ABC B.V. representing the proceeds of the offering of the Existing Notes.

At any time prior to May 15, 2014, Ziggo Bond Company B.V. may redeem all or part of the Existing Notes at a redemption price equal to 100% of the principal amount thereof plus accrued and unpaid interest, if any, plus an applicable redemption premium.

The indenture relating to the Existing Notes contains customary provisions relating to Ziggo Bond Company B.V.’s obligation to make payments free of withholding or deduction and its ability to redeem the Existing Notes in the event of certain changes in the taxation of the Existing Notes.

If an event treated as a Change of Control occurs at any time, then Ziggo Bond Company B.V. must make an offer to each holder of Existing Notes to purchase such holder's Existing Notes at a purchase price in cash in an amount equal to 101% of their aggregate principal amount, plus accrued and unpaid interest, if any, to the date of the purchase.

The indenture relating to the Existing Notes contains customary covenants that restrict the ability of Ziggo Bond Company B.V. and its restricted subsidiaries to:

- incur more debt;
- pay dividends and make distributions of certain other restricted payments;
- issue, sell or pledge capital stock;
- enter into transactions with affiliates;
- impair the security interests with respect to the collateral securing the Existing Notes;
- create liens;
- transfer or sell assets;
- enter into sale and leaseback transactions;
- guarantee additional debt; and
- consolidate or merge with or into another entity.

The indenture relating to the Existing Notes contains customary events of default, including, among others, the non-payment of principal or interest on the Existing Notes, certain failures to perform or observe other obligations under the indenture, the occurrence of certain defaults under other indebtedness, failure to pay certain indebtedness and insolvency or bankruptcy events.

The Existing Notes are listed on the Official List of the Luxembourg Stock Exchange and trade on the Euro MTF Market of the Luxembourg Stock Exchange.

DESCRIPTION OF THE NOTES

Ziggo Finance B.V. (the “*Issuer*”) issued the Notes under an indenture dated October 29, 2010 (the “*Indenture*”) between, among others, the Issuer and Deutsche Trustee Company Limited, as the trustee (the “*Trustee*”) and security trustee (the “*Security Trustee*”), in a private transaction that was 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 was hereby incorporated by reference into this offering memorandum. Contemporaneously with the execution of the Indenture, Amsterdamse Beheer- en Consultingmaatschappij B.V. (the “*Company*”) and the other Senior Facility Obligors entered into the Covenant Agreement with the Issuer and the Trustee whereby they agreed to be bound to comply with the terms of the Indenture that are applicable to them, as described in this “Description of the Notes”. For more information on the Covenant Agreement, see “—Covenant Agreement”.

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 “*Issuer*” refers only to Ziggo Finance B.V. and the term “*Company*” refers only to Amsterdamse Beheer- en Consultingmaatschappij B.V. and not to any of its Subsidiaries.

The Issuer is an independent stand-alone special purpose financing company formed for the purpose of issuing the Notes (including any Additional Notes) and any other Additional Issuer Debt permitted to be issued under the Indenture. All of the Issuer’s issued shares are held by the Parent, which is a foundation incorporated under the laws of The Netherlands. The Issuer has no material business operations and upon completion of this offering will have no material assets other than, after the Issue Date, its rights under the Facility E1 Loans and the Senior Credit Agreement. As a result, the Issuer will be wholly dependent on payments by the Senior Facility Obligors pursuant to the Senior Credit Agreement to provide the funds necessary to make the required payments of principal of, and interest, premium or Additional Amounts, if any. Any costs (including taxes) incurred by the Issuer in relation to the Offering will be on-charged to the Obligors pursuant to an on-charge agreement between the Issuer and ABC B.V. The Issuer will file U.S. Internal Revenue Service Form 8832, electing to be treated as an entity disregarded from its sole owner for U.S. Federal tax purposes, to be effective on or prior to the issuance of the Notes and will take any action reasonably necessary to maintain its status as a disregarded entity for U.S. Federal tax purposes.

In connection with this offering of Notes, the Issuer in its capacity as a lender under the Senior Credit Agreement (the “*Facility E Lender*”) will loan the proceeds from the sale of the Notes to one or more Senior Facility Borrowers (the “*Facility E1 Borrowers*”) as one or more term loans (the “*Facility E1 Loans*”) under a new tranche (the “*Facility E1 Tranche*”) pursuant to Facility E (“*Facility E*”) of the Senior Credit Agreement. The obligations of the Facility E1 Borrowers under the Facility E1 Tranche will be guaranteed (the “*Senior Facility Guarantees*”) by all the guarantors under the Senior Credit Agreement (in such capacity, the “*Senior Facility Guarantors*”) and secured by the Senior Facility Collateral. See “—Senior Facility Guarantees”, “—Senior Facility Collateral” and “—Facility E, the Facility E1 Tranche and the Senior Credit Agreement”, for a further description of the Senior Facility Guarantees, the Senior Facility Collateral and the Facility E1 Tranche.

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 Note Security Documents referred to below under the caption “—Note Collateral” 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, the Note Security Documents and certain other agreements relating to the Notes and the Senior Credit Agreement. This description does not restate those agreements in their entirety. We urge you to read the Indenture, the Notes, the Note Security Documents and those other agreements because they, and not this description, define your rights as holders of the Notes. Copies of the Indenture, the form of Note, the Note Security Documents, the Priority Agreement, the Parallel Priority Agreement, the Covenant Agreement, the Collateral Sharing Agreement and the Note Security Documents are available as set forth below under “—Additional Information”. A copy of the Senior Credit Agreement (excluding the schedules thereto) is attached to this Offering Memorandum as Annex A—Senior Credit Agreement and a copy of the form of Voting Deed Poll is attached to this Offering Memorandum as Annex B—Voting Deed Poll.

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.

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 obligations of the Senior Facility Obligors under the Senior Credit Agreement, including under the Facility E1 Tranche.

Principal, Maturity and Interest

The Issuer issued €750,000,000 in aggregate principal amount of Notes in this offering. The Issuer may issue additional Notes ("Additional Notes") under the Indenture from time to time after this offering. 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 Issuer will issue Notes in denominations of €50,000 and integral multiples of €1,000 in excess thereof. The Notes will mature on November 15, 2017. 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 6.125% per annum. Interest on the Notes will be payable semi-annually in arrears on May 15 and November 15, commencing on May 15, 2011. The Issuer 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.

Ranking of the Notes

The Notes:

- will be general obligations of the Issuer;
- will be *pari passu* in right of payment with all existing and future Indebtedness of the Issuer;
- will be secured directly by the Note Collateral, including a first- priority assignment of the Issuer's rights under the Facility E1 Loans and the Facility E1 Tranche;
- will benefit indirectly from the Senior Facility Collateral and the Senior Facility Guarantees;
- will be effectively subordinated to any existing and future Indebtedness of the Issuer that is secured by property or assets that do not secure the Notes, to the extent of the value of the property and assets securing such Indebtedness; and
- will be the only outstanding Indebtedness of the Issuer on the Issue Date.

The Notes will not benefit from a direct Guarantee from the Company or any of its Subsidiaries. However, as a result of the Loan Assignment, the Notes will indirectly benefit from the Facility E1 Loans, the Senior Facility Guarantees and the Senior Facility Collateral.

Limited Recourse Obligations

The obligations of the Issuer under the Indenture, the Notes and the Note Security Documents to which it is a party will be limited as set forth in the Indenture. All payments to be made by the Issuer under the Indenture (including any Additional Amounts), the Notes and the Note Security Documents to which it is a party will be made only from and to the extent of such sums received or recovered by or on behalf of the Issuer,

the Trustee or the Security Trustee from the Note Collateral, including the Issuer's rights under the Facility E1 Loans and the Senior Credit Agreement, and its other assets, and none of the Trustee, the Security Trustee, the Principal Paying Agent, the Registrar or the holders of Notes will have any further recourse to the Issuer in respect thereof in the event that the amount due and payable by the Issuer under the Indenture, the Notes and the Note Security Documents exceeds the amounts so received or recovered under the Note Collateral or its other assets.

In addition, holders of the Notes will not have a direct claim on the cash flow or assets of the Company or any of its Subsidiaries, and neither the Company nor any of its Subsidiaries will have any obligation, contingent or otherwise, to pay amounts due under the Notes, or to make funds available to the Issuer for those payments, other than the obligations of the Senior Facility Obligors under the Senior Credit Agreement to make payments to the Issuer as the Facility E Lender under the Senior Credit Agreement and the Facility E1 Loans.

Although the holders of Notes will benefit from the Covenant Agreement, neither the Trustee nor the holders of Notes will be entitled to exercise any rights or remedies under the Covenant Agreement against any Senior Facility Obligor, other than the rights to instruct the Issuer to accelerate the Facility E1 Loans in accordance with the terms of the Senior Credit Agreement and to instruct the Issuer to vote in connection with the enforcement of any Senior Facility Collateral in accordance with the Voting Deed Poll, as described under “—Facility E, the Facility E1 Tranche and the Senior Credit Agreement—Voting Rights under the Senior Credit Agreement”.

Nothing in this section will limit the ability of the holders of the Notes or the Trustee to accelerate the Notes in accordance with “—Events of Default and Remedies—Remedies under the Indenture”.

Note Collateral

The Notes will be secured by:

- (1) a first-ranking pledge over all of the Capital Stock of the Issuer (the “*Issuer Share Pledge*”) and a first-ranking charge over all bank accounts of the Issuer (the “*Issuer Bank Account Charge*” and together with the Issuer Share Pledge, the “*Shared Note Collateral*”), each case, on a *pari passu* basis with the all future Additional Issuer Debt of the Issuer issued after the Issue Date; and
- (2) a first-ranking assignment of the Issuer's rights under the Facility E1 Loans and the Facility E1 Tranche (including the Issuer's rights in respect of the Senior Facility Guarantees and the Senior Facility Collateral) (the “*Loan Assignment*”).

The Issuer and the Security Trustee will enter into the Notes Security Documents, which define the terms of security interests that secure the Notes. The Notes Security Documents will secure the payment and performance when due of all of the obligations of the Issuer under the Indenture and the Notes as provided in the Note Security Documents.

The Collateral Sharing Agreement will provide that the security interests in the Shared Note Collateral may be enforced only upon an acceleration of the amounts due under the Notes following an Event of Default. The Loan Assignment will provide that the security interests in the rights of the Issuer under the Facility E1 Loans and the Facility E1 Tranche may be enforced upon an Event of Default whether or not the Notes have been accelerated. 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 Note Security Documents. The holders of the Notes may only take action through the Security Trustee.

The Liens on the Note Collateral will be released:

- (1) upon the full and final payment and performance of all obligations of the Issuer 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”.

Collateral Sharing Agreement

The Notes and all future Additional Issuer Debt of the Issuer will benefit from the Shared Noted Collateral on a *pari passu* basis. Pursuant to the Collateral Sharing Agreement, the Security Trustee and the Trustee will agree that all proceeds from the enforcement of the Shared Note Collateral will be shared on a *pari passu* basis by the holders of the Notes and all Additional Issuer Debt of the Issuer. The holders of a majority in aggregate principal amount of all Notes and Additional Issuer Debt then outstanding will control any enforcement actions in respect of the Shared Note Collateral.

Ranking of the Facility E1 Loan

The Facility E1 Loan of each Facility E1 Borrower:

- will be a general obligation of such Facility E1 Borrower;
- will be guaranteed by the Senior Facility Guarantors;
- will be secured by first-ranking Liens over the Senior Facility Collateral;
- will be effectively subordinated to any existing and future Indebtedness of such Facility E1 Borrower that is secured by property or assets that do not secure its Facility E1 Loan, to the extent of the value of the property and assets securing such Indebtedness;
- will be *pari passu* in right of payment with all existing and future Indebtedness of such Facility E1 Borrower that is not subordinated in right of payment to its Facility E1 Loan;
- will be senior in right of payment to all existing and future Indebtedness of such Facility E1 Borrower that is subordinated in right of payment to its Facility E1 Loan; and
- will be effectively subordinated to all obligations of the Company's Subsidiaries that are not Senior Facility Guarantors.

Senior Facility Guarantees

The Senior Facilities (including after the Issue Date, Facility E) are guaranteed by Senior Facility Guarantors. On the Issue Date, the Senior Facility Guarantors will include: the Company, Christina Beheer- en Adviesmaatschappij B.V., Torensplits II B.V., Serpering Investments B.V., Plinius Investments II B.V., Ziggo Holding B.V., Ziggo B.V. and Ziggo Netwerk B.V. These Senior Facility Guarantees will be joint and several obligations of the Senior Facility Guarantors. For a description of the Senior Facility Guarantees, including any limitations thereon, see "Description of Other Indebtedness—Senior Secured Credit Facilities—Security and Guarantees".

Ranking of the Senior Facility Guarantees

The Senior Facility Guarantee of each Senior Facility Guarantor:

- will be a general obligation of such Senior Facility Guarantor;
- will be secured by first-ranking Liens over the Senior Facility Collateral;
- will be effectively subordinated to any existing and future Indebtedness of such Senior Facility Guarantor that is secured by property or assets that do not secure such Senior Facility Guarantee, to the extent of the value of the property and assets securing such Indebtedness;
- will be *pari passu* in right of payment with all existing and future Indebtedness of such Senior Facility Guarantor that is not subordinated in right of payment to such Senior Facility Guarantee; and

- will be senior in right of payment to all existing and future Indebtedness of such Senior Facility Guarantor that is subordinated in right of payment to such Senior Facility Guarantee.

Assuming we had completed this offering of Notes and applied the proceeds thereof as described under “Use of Proceeds”, as of September 30, 2010, the Company and the other Senior Facility Guarantors would have had total borrowings of €2,435 million, including the Facility E1 Loans but excluding the proceeds loan with respect to the Senior Unsecured Notes. In addition, the Senior Facility Obligors have guaranteed on a subordinated basis the obligations of Ziggo Bond Company B.V. under the €1,209 million of the Senior Unsecured Notes outstanding as of September 30, 2010. The Indenture will permit the Issuer, the Company and the Company’s Restricted Subsidiaries to incur additional Indebtedness in the future. During the nine months ended September 30, 2010, the Senior Facility Guarantors represented 100% of the Company’s consolidated revenues and 100% of Company’s consolidated EBITDA. As of September 30, 2010, the Senior Facility Guarantors represented 100% of Company’s consolidated total assets.

Release of the Senior Facility Guarantees

The Company will not cause or permit, directly or indirectly, any Senior Facility Guarantee to be released other than:

- (1) in connection with any sale or other disposition of all or substantially all of the assets of that Senior Facility 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 Senior Facility 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 Senior Facility 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 Senior Facility 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, that Senior Facility Guarantor or its parent entity pursuant to a security enforcement sale in compliance with the Priority Agreement, the Parallel Priority Agreement and the Senior Credit Agreement; or
- (6) upon the full and final payment and performance of all obligations of the Issuer under the Indenture and the Notes.

Senior Facility Collateral

General

The obligations of the Senior Facility Obligors under the Senior Facilities (including after the Issue Date, Facility E) are secured by first-ranking Liens over the Senior Facility Collateral (other than Facility D, which is secured on a second-ranking basis). The Senior Facility Collateral has been pledged pursuant to the Senior Facility Security Documents to the Senior Facility Security Agent on behalf of the holders of the secured obligations that are secured by the Senior Facility Collateral, including lenders under the Senior Credit Agreement.

As of the Issue Date, the Senior Facility Collateral will include the following properties and assets:

- the Capital Stock of each Senior Facility Obligor (other than the Company); and

- certain property and assets (including network assets) of the Senior Facility Obligors, including certain real estate, bank accounts, intellectual property rights, receivables and moveable and immovable assets.

The security interests in the Senior Facility Collateral will not be enforceable until the occurrence of an event of default under the Senior Credit Agreement in respect of which a notice of acceleration has been served and any enforcement of such security interests by the Issuer as a Facility E Lender will be subject to the Voting Deed Poll. See “Facility E, the Facility E1 Tranche and the Senior Credit Agreement—Voting Rights under the Senior Credit Agreement”.

Under the Indenture, the Company and its Restricted Subsidiaries will be permitted to incur certain additional Indebtedness in the future that may share in the Senior Facility Collateral, including additional Permitted Collateral Liens securing Indebtedness on a *pari passu* basis with the Facility E1 Tranche, including Indebtedness under the other Senior Facilities and certain priority Hedging Obligations. The amount of such additional Indebtedness will be limited by the covenants described under the captions “—Certain Covenants—Liens” and “—Certain Covenants—Incurrence of Indebtedness and Issuance of preferred stock”. Under certain circumstances, the amount of such additional Indebtedness secured by Permitted Collateral Liens could be significant.

The proceeds from the sale of the Senior Facility Collateral may not be sufficient to satisfy the obligations of the Senior Facility Obligors under the Senior Facilities (including Facility E) and the creditors of other Indebtedness secured thereby. No appraisals of the Senior Facility Collateral have been made in connection with this offering of the Notes or the incurrence of the Facility E1 Loans. By its nature, some or all of the Senior Facility Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, the Senior Facility Collateral may not be able to be sold in a short period of time, or at all. See “—Risks Relating to the Notes and the Structure—It may be difficult to realize the value of the Senior Facility Collateral securing the Notes”.

Release of the Senior Facility Collateral

The Company will not cause or permit, directly or indirectly, any Senior Facility Collateral to be released from the Lien over such Senior Facility Collateral other than:

- (1) in connection with any sale, assignment, transfer, conveyance or other disposition of such property or assets to a Person that is not (either before or after giving effect to such transaction) the Company or any of its Restricted Subsidiaries, if the sale or other disposition does not violate the “Asset Sale” provisions of the Indenture;
- (2) in the case of a Senior Facility Guarantor that is released from its Senior Facility Guarantee pursuant to the terms of the Indenture, the release of the property and assets, and Capital Stock, of such Senior Facility Guarantor;
- (3) if the Company designates any of its Restricted Subsidiaries to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture, the release of the property and assets of such Restricted Subsidiary;
- (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) in the case of a security enforcement sale in compliance with the Priority Agreement, the Parallel Priority Agreement and the Senior Credit Agreement, the release of the property and assets subject to such enforcement sale; or
- (6) upon the full and final payment and performance of all obligations of the Issuer under the Indenture and the Notes.

In connection with the refinancing or replacement of the Senior Facilities (other than Facility E) in full at a time when amounts are still outstanding under Facility E such refinancing or replacement may be implemented in a manner that releases the security interest over all of the Senior Facility Collateral that

previously secured the amounts outstanding under the Senior Facilities being refinanced or replaced. In this event, by operation of law, the security interests over the Senior Facility Collateral in favor of the Facility E1 Loans could gain priority over later granted security interest over the Senior Facility Collateral in favor of the new indebtedness, which could preclude the possibility of entering into a new senior credit facility with first-priority security interests in the Senior Facility Collateral as part of the refinancing. To avoid this outcome, the Indenture will provide that, upon a release of all of the security interests over the Senior Facility Collateral in connection with such a refinancing or replacement, the Senior Facility Collateral in favor of the Facility E1 Loans will be automatically released and replaced by new security in favor of the Facility E1 Loans, on substantially the same terms as prior to release; *provided* that (1) following such release and retaking the Liens over the Senior Facility Collateral are not subject to any new hardening period (excluding any such hardening period that existed prior to such release and retaking) which is not also applicable to the Lien granted in favor of all other Indebtedness secured by the Senior Facility Collateral at such time, (2) the Company complies with the covenant described under “Impairment of Security Interest”, (3) all Liens on the Senior Facility Collateral securing Indebtedness are released and retaken at the same time as the release of the Liens on the Senior Facility Collateral securing the Facility E1 Loans and (4) the assets and property subject to Liens on the Senior Facility Collateral securing the Facility E1 Loans immediately prior to such release are the same property and assets subject to Liens on the Senior Facility Collateral securing the Facility E1 Loans immediately after such retaking.

Facility E, the Facility E1 Tranche and the Senior Credit Agreement

The Senior Credit Agreement permits the Senior Facility Obligors to incur loans from the Issuer pursuant to one or more tranches under Facility E under the Senior Credit Agreement funded by the proceeds of certain public debt instruments, *provided* that, among other things, the terms of the public debt instruments comply with the relevant provisions of the Senior Credit Facility and the proceeds of such loans are applied to prepay Indebtedness under the Senior Credit Agreement (other than Indebtedness under Facility E).

The Senior Credit Agreement may be amended from time to time pursuant to the terms thereof. The Issuer’s voting rights as the Facility E Lender under the Senior Credit Agreement, including those with respect to any such amendments, will be governed by the Voting Deed Poll, as described further below, until such time as all of the other Senior Facilities under the Senior Credit Agreement are repaid in full. In the event of any such repayment of all such other Senior Facilities, the Voting Deed Poll will no longer apply and the Issuer as the Facility E Lender will be able to exercise all of its voting rights in respect of all Facility E Tranches, including its rights to amend, waive, modify, restate and otherwise vary the terms of the Senior Credit Agreement solely in accordance with the terms thereof, subject to any provisions of the Indenture governing the manner in which the Issuer exercises such rights. Pursuant to the Covenant Agreement, the Issuer will agree, in respect of any such repayment, to amend the Senior Credit Agreement in order to delete all or substantially all of the maintenance, affirmative and restrictive covenants, representations, warranties, events of default (other than in respect of Facility E) and related definitions. The Issuer will also agree in order to effect any such repayment (i) to exercise its voting rights under the Priority Agreement to allow Facility D to be repaid prior to the repayment in full of Facility E and (ii) to re-advance to one or more Senior Facility Borrowers all amounts received by it as a voluntary prepayment in full of Facility E made in order to allow for the prepayment in full of Facility D, immediately following such prepayment of Facility D, *provided* that, in each case of clauses (i) and (ii) above, no Default or Event of Default is continuing or would result therefrom. Accordingly, in the event of any such repayment, the terms and conditions of the Senior Credit Agreement, including the obligations and covenants of the Senior Facility Obligors provided for thereunder, will change significantly. See “Annex A—Senior Credit Agreement”.

On the pricing date of this offering of Notes, the Issuer will execute a commitment letter under the Senior Credit Agreement (the “*Commitment Letter*”) pursuant to which it will (in its capacity as the Facility E Lender) make available to the Facility E1 Borrowers the Facility E1 Tranche. On the Issue Date, the Issuer will advance to the Senior Facility Borrowers the gross proceeds from this offering of the Notes as term loans under the Facility E1 Tranche so that the principal amount of the Facility E1 Tranche equals the aggregate principal amount of the Notes issued in this offering. The Issuer will charge the Facility E1 Borrowers an amount of fees and expenses in connection with the Facility E1 Loans equal to commissions, costs and expenses incurred by the Issuer in relation to this offering of the Notes, including costs of the establishment of the Issuer and the Shareholder Trust and the ongoing administrative ongoing costs and expenses (including taxes) related to the administration of the Issuer. The Commitment Letter will provide for the terms and conditions applicable to the Facility E1 Tranche. The Company will use the proceeds of the Facility E1 Loans to prepay certain other outstanding Indebtedness under the Senior Facility. See “Use of Proceeds”.

The currency, principal, maturity, interest rate and interest periods of a Facility E1 Tranche will be the same as the currency, principal, maturity, interest rate and interest periods of the Notes. The optional prepayment of any amounts under the Facility E1 Tranche will be subject to the same restrictions (including payment of the same applicable premium) as those contained in the Indenture in respect of optional redemption of the Notes.

Under the terms of the Senior Credit Agreement, if any principal amount of the Notes becomes repayable, prepayable or subject to repurchase or redemption prior to its originally scheduled maturity under the terms of the Indenture (other than by reason of acceleration of the Notes), a principal amount of Facility E1 Loans equal to such amount will be prepaid by the Facility E1 Borrowers together with any accrued and unpaid interest on the portion of the Facility E1 Loans prepaid and any prepayment fees described below.

If, as result of an early repayment, prepayment, repurchase or redemption of the Notes in relation to which a mandatory prepayment under the Facility E1 Tranche is required as described above, an amount of make-whole, call protection or other premium is payable to the holders of the Notes by the Issuer, the Company will, at or before the same time such mandatory prepayment is due, pay an amount equal to such make-whole, call protection or other premium amount to the Issuer.

Notwithstanding the foregoing, no amount required to be applied in mandatory prepayment under the Senior Credit Agreement (including upon a change of control, with the proceeds of a flotation or disposal of assets or from excess cashflow) will be applied against the Facility E1 Tranche other than to the extent a redemption or repurchase of the Notes as described under the headings “Optional Redemption”, “Redemption for Changes in Taxes” and “Repurchase at the Option of Holders” is required to be made by the Issuer.

If, following an Event of Default under the Indenture, the Notes become due and payable as a result of an acceleration of the Notes by the Trustee or the holders of the Notes or otherwise, the Issuer will be required to declare all amounts outstanding under the Facility E1 Tranche immediately due and payable.

The Senior Credit Agreement includes certain maintenance and other affirmative and restrictive covenants that are applicable to the Senior Facility Obligors. Pursuant to the terms of the Voting Deed Poll, the Issuer effectively will cede any rights in respect of, and will not be able to initiate an enforcement action for a breach of, those covenants. As a result, the holders of the Notes will not receive any direct or indirect benefit of those covenants.

See “Description of Other Indebtedness—Senior Secured Credit Facilities” and “Annex A—Senior Credit Agreement”.

Voting Rights under the Senior Credit Agreement

In connection with this offering of Notes, the Issuer will execute and deliver the Voting Deed Poll, which will require the Issuer to exercise all voting rights in respect of all Facility E Tranches as described below. Although the majority of matters requiring a vote of the lenders under Senior Credit Agreement (including the enforcement of the Senior Facility Collateral) only require the consent of the majority lenders (defined as 66²/₃% of the total commitments under the Senior Credit Agreement), certain matters require the consent of all lenders.

Except as set out in the following paragraph, the Facility E Lender, in respect of any Non-Enforcement Voting Request (as defined below), will irrevocably authorize the relevant agent under the Senior Credit Agreement to treat its lender voting entitlement as having been voted in respect of that Non-Enforcement Voting Request as if its lender voting entitlement had been split and voted as an acceptance, a rejection and/or neither an acceptance nor a rejection in respect of that Non-Enforcement Voting Request, in each case in the same proportions as the acceptances, rejections and abstentions, respectively, of the lenders (other than the Facility E Lender) under the Senior Credit Agreement in respect of the same Non-Enforcement Voting Request.

The preceding paragraph will not apply in the case of any Non-Enforcement Voting Request:

- (1) that is an Administrative Voting Request (as defined in the Voting Deed Poll), in which case the Facility E Lender’s lender voting entitlement will be split and voted as an acceptance, a rejection and/or neither an acceptance nor a rejection, in each case in the same proportions as

the acceptances, rejections and abstentions, respectively, in relation to such voting request of the holders of the Notes and all other Additional Issuer Debt; or

- (2) that requires the consent of all lenders under the Senior Credit Agreement, in which case the relevant agent under the Senior Credit Agreement will be irrevocably authorized to treat the Facility E Lender as if it had accepted the relevant Non-Enforcement Voting Request.

In respect of any Enforcement Voting Request (as defined below), the lender voting entitlement of the Issuer in its capacity as the Facility E Lender will be treated as follows:

- (1) if its lender voting entitlement at the relevant time is:
 - (i) less than or equal to 25% of the aggregate of all lender voting entitlements at that time; or
 - (ii) greater than or equal to $66\frac{2}{3}\%$ of the aggregate of all lender voting entitlements at that time,

its lender voting entitlement will be split and voted as an acceptance, a rejection and/or neither an acceptance nor a rejection in respect of the relevant Enforcement Voting Request, in each case in the same proportions as the acceptances, rejections and abstentions, respectively, in relation to the such voting request of the holders of the Notes and all other Additional Issuer Debt;

- (2) if the Issuer's lender voting entitlement at the relevant time is greater than 25% of the aggregate of all lender voting entitlements at that time but less than $66\frac{2}{3}\%$ of the aggregate of all lender voting entitlements at that time:
 - (i) it will exercise its lender voting entitlement in an amount equal to 25% of the aggregate of all lender voting entitlements under the Senior Credit Agreement, which will be split and voted pro rata as an acceptance, a rejection and/or neither an acceptance nor a rejection in respect of the relevant Enforcement Voting Request, in each case in the same proportions as the acceptances, rejections and abstentions, respectively, in relation to the such voting request of the holders of the Notes and all other Additional Issuer Debt; and
 - (ii) the Facility E Lender will irrevocably authorize the relevant agent under the Senior Credit Agreement to treat its lender voting entitlement in excess of 25% of the aggregate of all lender voting entitlements under the Senior Credit Agreement as if it had been split and voted as an acceptance, a rejection and/or neither an acceptance nor a rejection, in each case in the same proportions as the acceptances, rejections and abstentions, respectively, of the lenders (other than the Facility E Lender) under the Senior Credit Agreement in respect of the relevant Enforcement Voting Request.

The term "*Enforcement Voting Request*" means a request made to the lenders under the Senior Credit Agreement at any time for a consent, waiver or amendment or any other vote under or in connection with any Senior Finance Document in each case in relation to any enforcement of the Senior Facility Collateral.

The term "*Non-Enforcement Voting Request*" means a request made to the lenders under the Senior Credit Agreement at any time for a consent, waiver or amendment or any other vote under or in connection with any Senior Finance Document other than:

- (1) in relation to any enforcement of the Senior Facility Collateral; or
- (2) any amendment or waiver relating to the rights or obligations of the Facility E Lender in its capacity as such (and not merely as a result of being a lender under Senior Credit Agreement or a finance party) including, without limitation, the provisions relating to the acceleration of any Facility E Tranche, which shall require, in addition to any consent of any other lenders under the Senior Credit Agreement, the consent of the Facility E Lender.

For the avoidance of doubt, the provisions of the Voting Deed Poll will not apply to the amendment or waiver of any provision of the Senior Finance Documents relating to the rights or obligations of Issuer in its capacity as the Facility E Lender as described in clause (2) above. In the case of any such amendment or waiver, the Issuer will act on the instructions of the holders of the Notes and the holders of any Additional Issuer Debt or, to the extent the amendment or waiver relates only to an individual Facility E Tranche, the holders of the Notes or Additional Issuer Debt to which that Facility E Tranche relates. See “—Certain Covenants—Limitations on Amendments to the Senior Finance Documents” and “—Amendment, Supplement and Waiver”.

Other than where the Issuer has an independent vote under the Senior Finance Documents or in connection with enforcement of security as referred to above, where a vote is required under the Indenture, it will be controlled by the holders of the Notes irrespective of whether the same matter also requires a vote under the Senior Finance Documents. See “—Amendment, Supplement and Waiver”.

Holders of the Notes who do not vote or accept or reject a consent request in response to any solicitation within the applicable consent period or who formally abstain from voting or accepting or rejecting a consent request will be excluded from the voting process.

In the event any additional Facility E Loans are incurred by the Senior Facility Obligors under additional Facility E Tranches, the proportion of the principal amount of Facility E outstanding that is represented by the Facility E1 Tranche will decrease and, as a result, the holders of the Notes may not be able to direct the Issuer to vote its lender voting entitlements in respect of Facility E as they may desire, other than in any voting request in respect of the Facility E1 Tranche only.

Any Security Trustee (or nominee) to which the Issuer’s rights under any Facility E Loan or any Facility E Tranche are assigned or transferred must also exercise its rights in respect of that Facility E Loan and the Facility E Tranche in accordance with the Deed Poll.

As noted above under “—Facility E, the Facility E1 Tranche and the Senior Credit Agreement”, upon the repayment in full of all of the Senior Facilities other than Facility E, the Voting Deed Poll will no longer apply and the Issuer as the Facility E Lender will be able to exercise all of its voting rights in respect of all Facility E Tranches solely in accordance with the terms of the Senior Credit Agreement, subject to any provisions of the Indenture governing the manner in which the issuer exercises such rights.

See “Annex B—Voting Deed Poll”.

Additional Facility E Tranches

Pursuant to the terms of the Senior Credit Agreement and the Indenture, the Company is entitled to incur additional Facility E Loans (“*Additional Facility E Loans*”) under additional Facility E Tranches (“*Additional Facility E Tranches*”) that are funded with the proceeds of Additional Issuer Debt, *provided* that, among other things, the terms of the Additional Issuer Debt comply with the relevant provisions of the Senior Credit Agreement and the proceeds of such Additional Facility E Loans are applied to prepay Indebtedness under the Senior Facilities (other than Indebtedness under Facility E).

The funding of any Additional Facility E Tranches may dilute the indirect voting rights of the holders of the Notes in an enforcement action in respect of the Senior Facility Collateral. The aggregate lender voting entitlements of the Issuer under the Facility E Tranches in respect of any such enforcement action is limited to a maximum of 25% of the aggregate of all lender voting entitlements under the Senior Credit Agreement at that time irrespective of the actual size of the Facility E Tranches. Any voting rights corresponding to the Facility E Tranches above 25% of the aggregate of all lender voting entitlements at that time will be deemed to vote alongside the vote cast by the other lenders under the Senior Credit Agreement (other than the Facility E Lender) in a proportion identical to such lenders’ split of votes.

The voting limitation described above no longer applies if the aggregate lender voting entitlements of the Issuer under all Facility E Tranches exceeds $66\frac{2}{3}\%$ of the aggregate of all lender voting entitlements under the Senior Credit Agreement at that time.

Priority Agreement

On the Issue Date, the Facility E Lender will accede to the Priority Agreement as a “Senior Creditor”. The Priority Agreement governs, among other things, the rights and obligations of the lenders under the Senior Credit Agreement and certain priority hedging obligations, in respect of enforcement of the Senior Facility Collateral and the Senior Facility Guarantees. See “Description of Other Indebtedness—Priority Agreement”.

Parallel Priority Agreement

The Parallel Priority Agreement governs, among other things, the rights and obligations of the lenders under the Senior Credit Agreement, certain priority hedging obligations and the holders of the Senior Unsecured Notes. See “Description of Other Indebtedness—Priority Agreement”.

Covenant Agreement

The Company will not be a party to the Indenture. However, the Indenture will contain certain covenants applicable to the Company and its Restricted Subsidiaries. On the Issue Date, the Senior Facility Obligors, including the Company, will enter into the Covenant Agreement with the Issuer and the Trustee, pursuant to which the Company will agree to comply with such covenants applicable to them contained in the Indenture, subject to the limitations set forth in the Indenture.

Although the holders of Notes will benefit from the Covenant Agreement, neither the Trustee nor the holders of Notes will be entitled to exercise any rights or remedies under the Covenant Agreement against any Senior Facility Obligor, other than the rights to instruct the Issuer to accelerate the Facility E1 Loans in accordance with the terms of the Senior Credit Agreement and to instruct the Issuer to vote in connection with the enforcement of any Senior Facility Collateral in accordance with the Voting Deed Poll, as described under “—Events of Default and Remedies—Remedies under the Senior Credit Agreement” and “—Amendment, Supplement and Waiver”.

Paying Agent and Registrar for the Notes

The Issuer 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 Issuer 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 Issuer 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 Issuer 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 Issuer.

The Issuer 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 Issuer 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 Issuer 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 Issuer under or with respect to the Notes 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 Issuer or any Facility E1 Borrower or Senior Facility 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 Issuer or any Facility E1 Borrower or Senior Facility 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 Issuer under or with respect to the Notes, including payments of principal, redemption price, purchase price, interest or premium, the Issuer 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 that 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 the receipt of any payments in respect of such Note;
- (2) any Taxes 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) any 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;
- (7) any Taxes imposed or withheld by reason of the failure of the holder or beneficial owner of Notes, following the Issuer’s written request (made at a time that would enable the holder or beneficial owner acting reasonably to comply with that request), 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 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 Issuer 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 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.

If the Issuer becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Notes, the Issuer 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 Issuer 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 Issuer will make or cause to be made all withholdings and deductions required by law and will timely remit or cause to be remitted the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The Issuer will use its reasonable efforts to obtain Tax receipts from each Tax authority evidencing the payment of any Taxes so deducted or withheld. The Issuer 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 Issuer, or if, notwithstanding the Issuer's efforts to obtain receipts, receipts are not obtained, other evidence of payments (reasonably satisfactory to the Trustee) by the Issuer.

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, 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 Issuer 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 and any department or political subdivision thereof or therein.

Optional Redemption

At any time prior to November 15, 2013, the Company may on any one or more occasions instruct the Issuer to, and upon receipt of such instruction the Issuer will, 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 106.125% 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 Issuer, 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 November 15, 2013, the Company may on any one or more occasions instruct the Issuer to, and upon receipt of such instruction the Issuer will, 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 Issuer's or the Company's option prior to November 15, 2013.

On or after November 15, 2013, the Company may on any one or more occasions instruct the Issuer to, and upon receipt of such instruction the Issuer will, 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 November 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
2013	103.063%
2014	101.531%
2015 and thereafter	100.000%

Unless the Issuer 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 Issuer's or the Company's discretion, be subject to the satisfaction of one or more conditions precedent, including that the Issuer or any Paying Agent has received sufficient funds from the Company or the relevant Senior Secured Borrower to pay the full redemption price payable to the holders of the Notes on or before the relevant redemption date.

Redemption for Changes in Taxes

The Company may instruct the Issuer to, and upon receipt of such instruction the Issuer will, redeem the Notes, in whole but not in part, at the Company's 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 (or the Facility E1 Loans), the Issuer (or a Facility E1 Borrower) is or would be required to pay Additional Amounts (or, in the case of a Facility E1 Borrower, additional amounts in respect of any taxes imposed on payments to the Issuer under the Facility E1 Loans at the rate that is in excess of the rate applicable on the date such Facility E1 Borrower becomes a Facility E1 Borrower), and the Issuer (or such Facility E1 Borrower) cannot avoid any such payment obligation by taking reasonable measures available to it, 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 in the case of a Facility E1 Borrower, on or after the date such Facility E1 Borrower became a Facility E1

Borrower (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 in the case of a Facility E1 Borrower, on or after the date such Facility E1 Borrower became a Facility E1 Borrower (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the date of this offering memorandum, such later date).

The Issuer will not give any such notice of redemption earlier than 60 days prior to the earliest date on which the Issuer (or the relevant Facility E1 Borrower) would be obligated to make such payment or withholding if a payment in respect of the Notes or the Facility E1 Loans were then due, and the obligation to pay Additional Amounts or the relevant additional amounts must remain 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 Issuer 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 Issuer to redeem the Notes hereunder. In addition, before the Issuer publishes or mails notice of redemption of the Notes as described above, the Issuer will deliver to the Trustee an Officer's Certificate to the effect that it cannot avoid its obligation to pay Additional Amounts by the relevant entity 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 of the Notes.

Any redemption and notice described above will be subject to the receipt by the Issuer or any Paying Agent of sufficient funds from the Company or the relevant Senior Secured Borrower to pay the full redemption price payable to the holders of the Notes on or before the Tax Redemption Date.

Mandatory Redemption

The Issuer 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 Issuer 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 Issuer 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 Issuer 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 Issuer 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 Issuer 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 Issuer 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 Issuer.

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 Issuer 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 Issuer 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 Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The Issuer 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 Issuer 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 Issuer 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 Issuer'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 Issuer 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 Issuer will not, directly or indirectly, consummate any Issuer Asset Sale.

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 Senior Facility Guarantor received from Persons who are not the Company or any Restricted Subsidiary.

Within 360 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 Indebtedness and other Obligations under a Credit Facility (excluding Public Debt) that are secured by a Lien on the Senior Facility Collateral 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 clause (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 360 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 third paragraph of this covenant will constitute “*Excess Proceeds*”. When the aggregate amount of Excess Proceeds exceeds €25.0 million, within five Business Days thereof, the Company notify the Issuer that an Asset Sale Offer is required to be made and will provide to the Issuer the information required to determine the Excess Proceeds and any other information required by the Issuer to give the notice of the Asset Sale Offer. Within five Business Days of the receipt of such notice from the Company, the Issuer will make an offer (an “*Asset Sale Offer*”) to all holders of Notes and, to the extent notified by the Company in such notice, make an offer to all holders of other Indebtedness that is *pari passu* with the Notes 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 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 Issuer 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 Issuer 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.

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 Issuer 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 Issuer will not, 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) other than (1) the Notes (including Additional Notes) and (2) Public Debt of the Issuer that is not subordinated in right of payment to the Notes (“*Additional Issuer Debt*”); *provided*, that, in each case, the proceeds of each incurrence of Additional Notes or Additional Issuer Debt are loaned by the Issuer to one or more Senior Facility Borrowers pursuant to an Additional Facility E Tranche on terms substantially similar to those governing the Facility E1 Tranche at the time of such loan of the proceeds of the Additional Notes or Additional Issuer Debt, as the case may be (other than in respect of currency, principal, maturity, interest rate and interest periods and prepayment provisions), and the relevant Senior Facility Borrower is permitted to Incur the Additional Facility E Loans under the terms of this covenant.

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, 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 Senior Facility Guarantors (other than the Company) 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, in each case other than Public Debt, the Company’s Consolidated Leverage Ratio would have been less than 4.25 to 1.0, 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 second 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 other Senior Facility 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 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 (3), not to exceed €100.0 million at any time outstanding;

- (4) 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 second paragraph of this covenant or clauses (2) or (4) of this paragraph;
- (5) 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 a Facility E1 Borrower or any Senior Facility Guarantor is the obligor on such Indebtedness and the payee is not a Senior Facility Obligor, 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 Facility E1 Loan, in the case of a Facility E1 Borrower, or the Senior Facility Guarantee, in the case of a Senior Facility 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 (5);
- (6) 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 (6);
- (7) the incurrence by the Company or any Restricted Subsidiary of Hedging Obligations for *bona fide* hedging purposes of the Company and its Restricted Subsidiaries or in respect of Indebtedness of Ziggo Bond Company B.V. that is guaranteed by the Senior Facility Obligors pursuant to clause (16) of this paragraph and, in each case, not for speculative purposes;
- (8) 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 or *pari passu* with a Facility E1 Loan or a Senior Facility Guarantee, then the Guarantee must be subordinated or *pari passu*, as applicable, to the same extent as the Indebtedness guaranteed;
- (9) 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;
- (10) 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;

- (11) 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;
- (12) 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;
- (13) Indebtedness of the Company of any of its Restricted Subsidiaries in respect of Management Advances;
- (14) 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;
- (15) 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 (15), 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 second paragraph of this covenant after giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this clause (15) 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 (15);
- (16) (A) the Guarantee by any Senior Facility Obligor of Indebtedness of Ziggo Bond Company B.V. if, on the date of the incurrence of such Guarantee, the Company's Consolidated Leverage Ratio would have been less than (x) 5.5 to 1.0, if the date of such incurrence is prior to the one-year anniversary of the Issue Date, or (y) 5.0 to 1.0, if the date of such incurrence is on or after the one-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 the incurrence of such Indebtedness), as if such Guarantee had been incurred at the beginning of the relevant two-quarter period, *provided* such Guarantees shall be subordinated to the Facility E1 Loans and the Senior Facility Guarantees pursuant to the Parallel Priority Agreement or any Additional Parallel Priority Agreement to substantially the same extent, and on substantially the same terms, as the Guarantees of the Senior Unsecured Notes outstanding on the Issue Date are subordinated under the Parallel Priority Agreement; and (B) the incurrence of Indebtedness by the Company under the Proceeds Loan and any Additional Proceeds Loan representing all or a portion of the proceeds of a substantially concurrent incurrence of Indebtedness by Ziggo Bond Company B.V. that is guaranteed by the Senior Facility Obligors pursuant to clause (A), *provided* that any Additional Proceeds Loan is granted as Senior Facility Collateral and any payments under such Additional Proceeds Loan

are subject to the Parallel Priority Agreement or any Additional Parallel Priority Agreement; 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.

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 Indebtedness described in this covenant (other than the first paragraph of 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 second and third 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 clauses (1) or (16) 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. Guarantees of the Senior Facility Obligors of Indebtedness of Ziggo Bond Company B.V. and Indebtedness represented by the Proceeds Loan, in each case, outstanding on the Issue Date will be deemed to have been incurred on such date in reliance on the exception provided in clause (16) of the definition 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 Issuer will not, directly or indirectly:

- (1) declare or pay any dividend or make any other payment or distribution on account of its Equity Interests or to the direct or indirect holders of its Equity Interests in their capacity as holders; or
- (2) purchase, redeem or otherwise acquire or retire for value any of its Equity Interests or any of its direct or indirect parent entity of the Issuer;

other than Permitted Issuer Maintenance 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 Senior Facility Guarantor that is contractually subordinated in right of payment to any Obligations of the Senior Facility Obligors under the Facility E1 Loans (excluding any Indebtedness of the Company or any other Senior Facility Obligor under Facility D and 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;
- (4) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Debt; or
- (5) make any Restricted Investment

(all such payments and other actions set forth in these clauses (1) through (5) 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 second 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 May 7, 2010 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 provisions in the second paragraph of this covenant 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 any Senior Facility Obligor that is contractually subordinated to the Facility E1 Loans or to any Senior Facility Guarantee in respect thereof 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 7% 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 any Senior Facility Obligor that is subordinated in right of payment to the Facility E1 Loans or to any Senior Facility Guarantee in respect thereof (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 and Issuer shall have complied with their respective obligations under the covenants described under "Repurchase at the Option of Holders—Change of Control" and the Issuer 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;
- (17) payments under the Proceeds Loan or any Additional Proceeds Loan that are permitted to be made under the terms of the Parallel Priority Agreement and any Additional Parallel Priority Agreement for purposes of making corresponding payments on the Senior Unsecured Notes or any additional Indebtedness of Ziggo Bond Company B.V. that is guaranteed by the Senior Facility Obligors pursuant to clause (16) of the definition of Permitted Debt, *provided* that Ziggo Bond Company B.V. applies such payments substantially concurrently with the receipt of such payments; or
- (18) 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 Issuer will not, 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 its property or assets, now owned or hereafter acquired, other than Permitted Issuer 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 (1) in the case of any property or asset that does not constitute Senior Facility Collateral, (a) Permitted Liens or (b) Liens on property or assets that are not Permitted Liens if the Obligations of the relevant Senior Facility Obligor under the its Facility E1 Loan or Senior Facility Guarantee in respect thereof are directly secured equally and ratably with, or prior to, the Indebtedness secured by such Lien for so long as such Indebtedness is so secured and (2) in the case of any property or asset that constitutes Senior Facility Collateral, Permitted Collateral Liens.

No Layering of Debt

No Senior Facility Obligor will incur any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of such Senior Facility Obligor unless such Indebtedness is also contractually subordinated in right of payment to the relevant Facility E1 Loan or the relevant Senior Facility Guarantee in respect thereof of such Senior Facility Obligor 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 any Senior Facility Obligor solely by virtue of being unsecured or 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.

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 Covenant Agreement, the Priority Agreement, the Parallel Priority Agreement and the Senior Facility 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 and the Facility E Lender than the encumbrances and restrictions contained in the Senior Credit Agreement, the 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 Issuer will not directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Issuer 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 Issuer taken as a whole in one or more related transactions, to another Person.

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 Senior Credit Agreement and the Covenant Agreement;
- (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 second 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 Senior Facility Guarantor (other than the Company or any Senior Facility Guarantor whose Senior Facility Guarantee is to be released in accordance with the terms the Indenture as described under “—Senior Facility Guarantees”) will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not such Senior Facility 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 Senior Facility 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 Senior Facility Guarantor under the Senior Finance Documents on terms 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 second 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 Senior Facility Obligor and clause (4) of the second 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 and the Facility E Lender 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 and Issuer will use their 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 Issuer and the Company determine that they will not maintain such listing, it will obtain prior to the delisting of the Notes from the Euro MTF Market, and thereafter use they will use their 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.

Additional Guarantees

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 accedes to the Senior Credit Facility as an additional Senior Facility Guarantor providing for the Guarantee of the payment of all obligations of the Facility E1 Borrowers under the Facility E1 Loans by such Restricted Subsidiary, which Senior Facility Guarantee will be *pari passu* with or senior to such Restricted Subsidiary’s guarantee of such other Indebtedness.

The Company shall ensure that at all times on and after the Issue Date:

- (1) the combined EBITDA (determined separately and without double counting (for the avoidance of doubt, all intra-group items and Investments in Subsidiaries of the Company of or by the Company or any of its Restricted Subsidiaries shall be excluded)) of the Senior Facility Guarantors for the most recently ended four fiscal quarters shall equal or exceed 80.0% of the Pro Forma Consolidated EBITDA for such four fiscal quarters of the Company; and
- (2) the combined gross assets (determined separately, without double counting (for the avoidance of doubt, all intra-group items and Investments in Subsidiaries of the Company of or by the Company or any of its Restricted Subsidiaries shall be excluded)) as of the last day of the most recently ended four fiscal quarters of the Senior Facility Guarantors shall equal or exceed 80.0% of the Pro Forma Consolidated Gross Assets of the Company as of such date,

by causing one or more of its Restricted Subsidiaries that are not Senior Facility Guarantors to accede to the Senior Credit Agreement and become a Senior Facility Guarantor and Guarantee the Obligations of the Facility E1 Borrowers under the Senior Credit Agreement (including the Facility E1 Loans) to the extent necessary to ensure the foregoing thresholds are met. The Company shall notify the Trustee promptly of each new Senior Facility Guarantor.

Concurrently with the accession to the Senior Credit Agreement by such Restricted Subsidiary, the Company will cause all of the Capital Stock in such Restricted Subsidiary owned by the Company and its Restricted Subsidiaries to be pledged to secure the Obligations of the Senior Facility Obligors under the Facility E1 Loans and the Senior Facility Guarantees in respect thereof.

Each additional Senior Facility Guarantee will be limited as necessary to recognise certain defences generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defences affecting the rights of creditors generally) or other considerations under applicable law.

Notwithstanding the foregoing, the Company shall not be obligated to cause such Restricted Subsidiary to Guarantee the Obligations of the Facility E1 Borrowers to the extent that such Guarantee by such Restricted Subsidiary would reasonably be expected to give rise to or result in a violation of applicable law which, in any case, cannot be prevented or otherwise avoided through measures reasonably available to the Company or the Restricted Subsidiary or any liability for the officers, directors or shareholders of such Restricted Subsidiary.

Payments for Consent

The Issuer will not and 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 Issuer, 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 Issuer, 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 Issuer and the Company in their sole discretion determine (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.

Limitation on Issuer Activities

The Issuer will not engage in any business activity or undertake any other activity, except any activity:

- (1) relating to the offering, sale or issuance of the Notes, any Additional Notes and any Additional Issuer Debt permitted to be incurred under the Indenture (including the lending of the proceeds of such sale of the Notes, any Additional Notes or any Additional Issuer Debt to one or more Senior Facility Borrowers pursuant to the Facility E1 Tranche or any Additional Facility E Tranche);
- (2) undertaken with the purpose of, and directly related to, fulfilling its obligations or exercising its rights under the Notes, the Indenture, the Note Security Documents, the Senior Credit Agreement, the Priority Agreement, the Parallel Priority Agreement, the Collateral Sharing Agreement, the Facility E Commitment Letter (and any commitment letter relate to any Additional Facility E Tranche), the Covenant Agreement, any Senior Finance Document or any other document relating to the Notes, Additional Notes, the Facility E1 Tranche, the Facility E1 Loans, any Additional Facility E Tranche, any Additional Facility E Loans or such Additional Issuer Debt permitted to be incurred under the Indenture, including the Incurrence of Permitted Issuer Liens and the making of Permitted Issuer Investments;
- (3) directly related to or reasonably incidental to the establishment and maintenance of the Issuer's corporate existence; or
- (4) directly related to investing amounts received by the Issuer (other than amounts not corresponding to required payments under the Notes) in such manner not otherwise prohibited by the Indenture.

On the Issue Date, the Issuer will loan all of the proceeds of the offering of the Notes issued on the Issue Date to the Facility E1 Borrowers pursuant to the Facility E1 Loans.

The Issuer shall not:

- (1) issue any Capital Stock (other than to the Parent);

- (2) take any action which would cause it to no longer satisfy the requirements of an available exemption from the provisions of the U.S. Investment Company Act of 1940, as amended;
- (3) commence or take any action or facilitate a winding-up, liquidation, dissolution or other analogous proceeding;
- (4) amend its constitutive documents in any manner which would adversely affect the rights of holders of the Notes in any material respect; or
- (5) transfer or assign any Facility E1 Loan or any of its rights under the Senior Credit Agreement, the Priority Agreement, any Additional Priority Agreement, the Parallel Priority Agreement or any Additional Parallel Priority Agreement except pursuant to the Note Security Documents.

Except as otherwise provided in the Indenture, the Issuer will take all actions necessary and within its power to prohibit the transfer of the issued shares in the Issuer by the Parent, other than pursuant to the Issuer Share Pledge or the enforcement of such Issuer Share Pledge in accordance with the Collateral Sharing Agreement.

For so long as any Notes are outstanding, the Issuer will take any action reasonably necessary to maintain its status as a disregarded entity for U.S. Federal tax purposes.

Whenever the Issuer receives a payment or prepayment under the Facility E1 Loans, it shall use the funds received solely to satisfy its obligations (to the extent of the amount owing in respect of such obligations) under the Indenture (including any premium paid to holders of the Notes) other than in connection with any payments related to any prepayment that is immediately thereafter as described in clause (ii) of the second paragraph under the caption “Facility E, the Facility E1 Tranche and the Senior Credit Agreement”.

Limitations on Amendments to Senior Finance Documents

Except pursuant to the provisions of the Indenture described under “Amendment, Supplement and Waiver”, the Company and the Issuer shall not, and the Company shall not permit any of its Restricted Subsidiaries to, amend, modify, supplement, waive or alter any Senior Finance Document, including any terms and conditions of the Senior Credit Agreement, the Facility E1 Tranche and the Facility E1 Loans, in any way to:

- (1) reduce the principal amount of the Facility E1 Loans to the extent the principal amount would be less than the then outstanding aggregate principal amount of the Notes;
- (2) reduce the principal of or change the fixed maturity of the Facility E1 Loans or alter the provisions with respect to the repayment of the Facility E1 Loans in any manner which would not permit repayment of the Notes upon a redemption or repayment event with respect thereto;
- (3) reduce the rate of or change the time for payment of interest, including default interest, on the Facility E1 Loans;
- (4) waive a default or event of default in the payment of principal of, or interest or premium, or other amounts on, the Facility E1 Loans (except to the extent such waiver has been given under the terms of this Indenture in relation to the corresponding or equivalent default or event of default under this Indenture, or to the extent there has been an acceleration on the Facility E1 Loans due to an acceleration of the Notes, to the extent there has been a rescission of acceleration of the Notes in accordance with the terms of this Indenture by the requisite holders of Notes) or change the provisions of sub-clause (c) of Clause 23.19 (*Acceleration*) of the Secured Credit Agreement;
- (5) make the Facility E1 Loans payable in money other than the money for which corresponding amounts are payable on the Notes;
- (6) make any change in the provisions of the Secured Credit Agreement relating to waivers of past defaults or the rights of the Issuer as the Facility E Lender, in each case related or relating

to, as the case may be, the receipt of payments of principal of, or interest or premium or additional amounts (if any) on, the Facility E1 Loans;

- (7) waive a prepayment with respect to the Facility E1 Loans to the extent there is a corresponding redemption or repurchase payment due with respect to any Note;
- (8) amend, modify or waive any provisions of any Senior Finance Document (including the Priority Agreement and the Parallel Priority Agreement) relating to any other rights and obligations of the Issuer as the Facility E Lender in its capacity as such in any manner materially adverse to the interests of the holders of the Notes or the Facility E Lender, other than any amendment or waiver which constitutes a procedural or administrative change in connection with the provisions of the Senior Credit Agreement relating to Facility E; *provided* that (a) the amendment or modification of the Priority Agreement, the Parallel Priority Agreement, any Additional Priority Agreement or any Additional Parallel Priority Agreement in accordance with the terms of the covenant described under “Additional Collateral Sharing Agreements, Priority Agreements and Parallel Priority Agreements” will not be deemed to be materially adverse to the interests of the holders of the Notes or the Facility E Lender and (b) any amendment or modification of the Senior Credit Agreement and any other related Senior Facility Document pursuant to the terms of the Covenant Agreement as described in the second paragraph under the caption “Facility E, the Facility E1 Tranche and the Senior Credit Agreement” will not be deemed to be materially adverse to the interests of the holders of the Notes or the Facility E Lender; and
- (9) amend, modify or waive any provisions of any Senior Finance Document other than in accordance with the terms of the Senior Credit Agreement and the Voting Deed Poll.

Minimum Period for Voting under the Senior Credit Agreement

In the event that the Issuer (in its capacity as the Facility E Lender) is eligible or required to vote (or otherwise consent) (including with respect to any enforcement action in respect of the Senior Facility Collateral) with respect to any matter arising from time to time under the Senior Credit Agreement on which the holders of the Notes are entitled to direct the vote of the Issuer in accordance with the Voting Deed Poll (a “*Senior Credit Agreement Decision*”), the Company will use its reasonable efforts to procure that the period during which the Issuer, as the Facility E Lender, will be eligible to validly vote (or otherwise consent) with respect to any such Senior Facility Decision will not be less than 15 Business Days from the date when written request for such Senior Facility Decision is made to the lenders under the Senior Credit Agreement. The Issuer will distribute to holders of the Notes or otherwise make available (including through the facilities of Euroclear and Clearstream) all documents related to any such Senior Facility Decision provided to the Issuer as the Facility E Lender, within three Business Days after the date when written request for such Senior Facility Decision is made to the lenders under the Senior Credit Agreement.

Impairment of Security Interest

The Issuer will not 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 Note Collateral (it being understood that the incurrence of Liens on the Note Collateral permitted by clauses (2) and (3) of the definition of Permitted Issuer Liens shall under no circumstances be deemed to materially impair the security interest with respect to the Note Collateral) for the benefit of the Trustee and the holders of the Notes, and the Issuer will not 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, any interest whatsoever in any of the Note Collateral other than, in the case of Shared Note Collateral, Liens described in clauses (2) and (3) of the definition of Permitted Issuer Liens; *provided* that (a) nothing in this provision shall restrict the discharge or release of the Note Collateral in accordance with the Indenture, the Note Security Documents and the Collateral Sharing Agreement and (b) the Issuer may incur Permitted Issuer Liens; and *provided further, however*, that no Note Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified, replaced, refinanced or released (followed by an immediate retaking of the Note Collateral subject to such Note Security Document with the same priority as immediately prior to such release), unless contemporaneously with such amendment, extension, replacement, restatement, supplement, modification, replacement or release, the Issuer 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

Issuer and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, supplement, modification, replacement or release 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, replacement or release, the Lien or Liens securing the Notes created under the Note Security Documents so amended, extended, renewed, restated, supplemented, modified, replaced or released and retaken 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, replacement or release.

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 Senior Facility 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 Issuer as the Facility E Lender, and the Company will not, and will not cause or permit any of its Restricted Subsidiaries to, grant to any Person other than the Senior Security Agent, for the benefit of the Issuer as the Facility E Lender and the other beneficiaries described in the Senior Facility Security Documents and the 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 Senior Facility Collateral in accordance with the Indenture, the Senior Facility Security Documents, the Priority Agreement and the Parallel Priority Agreement and (b) the Company may incur Permitted Collateral Liens; and *provided further, however*, that no Senior Facility Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified, replaced or released, unless contemporaneously with such amendment, extension, replacement, restatement, supplement, modification, replacement or release, 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, replacement or release 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 Facility E1 Loans created under the Senior Facility Security Documents so amended, extended, renewed, restated, supplemented, modified, replaced, released and retaken 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, replacement or release.

At the direction of the Company and without the consent of the Facility E Lender, the Senior Security Agent may from time to time enter into one or more amendments to the Senior Facility 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 Senior Facility 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.

In the event that the Company complies with this covenant, the Senior Security Agent shall (subject to customary protections and indemnifications) consent to such amendment, extension, renewal, restatement, supplement, modification or replacement with no need for instructions from the Facility E Lender.

Further Assurances

The Company will, and will procure that each of its Subsidiaries will, at its own expense, execute and do all such acts and things and provide such assurances as the Senior Security Agent may reasonably require (i) for registering any Senior Facility Security Documents in any required register and for perfecting or protecting the security intended to be afforded by such Senior Facility Security Documents; and (ii) if such Senior Facility Security Documents have become enforceable, for facilitating the realisation of all or any part of the assets which are subject to such Senior Facility Security Documents and for facilitating the exercise of all powers, authorities and discretions vested in the Senior Security Agent or in any receiver of all or any part of those assets. The Company will, and will procure that each of its Subsidiaries will, execute all transfers, conveyances, assignments and releases of that property whether to the Senior Security Agent or to its nominees and give all notices, orders and directions which the Senior Security Agent may reasonably request.

Additional Collateral Sharing Agreements, Priority Agreements and Parallel Priority Agreements

At the request of the Issuer, at the time of, or prior to, the Incurrence of any Indebtedness that is permitted to share the Shared Note Collateral, the Issuer, the Trustee and the Security Trustee will (without the consent of the holders of the Notes) enter into an additional collateral sharing agreement (each an “*Additional Collateral Sharing Agreement*”) on terms substantially similar to the Collateral Sharing Agreement (or more favorable to the holders of the Notes) or an amendment to or an amendment and restatement of the Collateral Sharing Agreement (which amendment does not adversely affect the rights of holder of the Notes); *provided* that such Collateral Sharing Agreement or Additional Collateral Sharing Agreement will not impose any personal obligations on the Trustee or the Security Trustee or adversely affect the rights, duties, liabilities, protections, indemnities or immunities of the Trustee under the Indenture, the Collateral Sharing Agreement or any Additional Collateral Sharing Agreement.

At the request of the Company, at the time of, or prior to, the incurrence of any Indebtedness that is permitted to share the Senior Facility Collateral, the Senior Facility Obligors, the Issuer as the Facility E Lender and the Senior Security Agent will (without the consent of the Facility E Lender) enter into an additional priority agreement (each an “*Additional Priority Agreement*”) on terms substantially similar to the Priority Agreement (or more favourable to the Facility E Lender) or an amendment to or an amendment and restatement of the Priority Agreement (which amendment does not adversely affect the rights of the Facility E Lender).

At the request of the Company, at the time of, or prior to, the incurrence of any Indebtedness pursuant to clause (16) of the third paragraph of the covenant described under “—Incurrence of Indebtedness and Issuance of Preferred Stock”, the Senior Facility Obligors and the Senior Security Agent will (without the consent of the holders of the Notes) enter into an additional parallel priority agreement (each an “*Additional Parallel Priority Agreement*”) on terms substantially similar to the Parallel Priority Agreement (or more favourable to the Facility E Lender) or an amendment to or an amendment and restatement of the Parallel Priority Agreement (which amendment does not adversely affect the rights of the Facility E Lender).

At the request of the Company, at the time of, or prior to, the incurrence of any new Indebtedness (other than Indebtedness pursuant to a Facility E Loan) by a Senior Facility Obligor following the date upon which or at the same time as all of the facilities (other than Facility E) under the Senior Credit Agreement have been or will be repaid in full, such Senior Facility Obligors, the Issuer as the Facility E Lender and the Senior Security Agent will (without the consent of the Facility E Lender) enter into an intercreditor agreement (an “*Intercreditor Agreement*”) providing for, among other things, the sharing of any collateral among such Senior Facility Obligors and the Issuer as Facility E Lender and the enforcement thereof; *provided* that the terms thereof, taken as a whole, do not materially adversely affect the rights of the holders of the Term E Loans and, with respect to voting, do not adversely affect the rights of the holders of the Term E Loans in any greater respect than those provided for in the Voting Deed Poll.

The Indenture will provide that each holder of a Note, by accepting such Note, will be deemed to have agreed to and accepted the terms and conditions of each Collateral Sharing Agreement, Additional the Collateral Sharing Agreement, Priority Agreement, Additional Priority Agreement, Parallel Priority Agreement, Additional Parallel Priority Agreement, Intercreditor Agreement and any amendment referred to in the preceding paragraph and none of the Issuer, the Security Trustee, the Company or the Senior Security Agent will be required to seek the consent of any holders of Notes to perform its obligations under and in accordance with this covenant. At the request of the Company, the Issuer will execute any Additional Priority Agreement, Additional Parallel Priority Agreement, Intercreditor Agreement or amendment or amendment and restatement of the Priority Agreement, the Parallel Priority Agreement or Intercreditor Agreement that complies with the provisions of this covenant.

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 second 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 third 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 Ziggo Bond Company B.V.’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 Ziggo Bond Company B.V. as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of Ziggo Bond Company B.V. 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 Ziggo Bond Company B.V., 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 Ziggo Bond Company B.V. 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 Ziggo Bond Company B.V., all material affiliate transactions, Indebtedness and material financing arrangements and a description of all material contractual arrangements, including material debt instruments; (e) material risk factors and material recent developments; and (f) a description of the material differences in the financial condition and results of operations between the Company and Ziggo Bond Company B.V.;

- (2) within 60 days following the end of each of the first three fiscal quarters in each fiscal year of Ziggo Bond Company B.V. 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 Ziggo Bond Company B.V., 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 Ziggo Bond Company B.V. 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 Ziggo Bond Company B.V. 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 Ziggo Bond Company B.V. and its Subsidiaries; and (e) any material changes to the risk factors disclosed in the most recent annual report with respect to Ziggo Bond Company B.V.; and (f) a description of the material differences in the financial condition and results of operations between the Company and Ziggo Bond Company B.V.;
- (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 or Ziggo Bond Company B.V.; (d) any resignation of a member of the Board of Directors of the Company or Ziggo Bond Company B.V. as a result of a disagreement with the Company or Ziggo Bond Company B.V.; (e) the entering into an agreement that will result in a Change of Control; or (f) any material events that the Company or Ziggo Bond Company B.V. 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 Senior Facility Guarantors or non-guarantor Subsidiaries of Ziggo Bond Company B.V.

Notwithstanding the foregoing, in respect of the reports set forth in clauses (1) and (2) above, if Ziggo Bond Company B.V. and its Subsidiaries have material operational activities other than the Company and its Subsidiaries for the periods that are the subject of such reports or there are any other material differences between the consolidated results of operations, financial condition, ownership or management of Ziggo Bond Company B.V. and the Company, other than relating to the Senior Unsecured Notes, the Proceeds Loans, any Additional Proceeds Loans and other than with respect to ownership (including any employee incentive plan or arrangement) or management as disclosed on such report, the Company shall provide each report required by clauses (1) and (2) above for such period as if each reference to “Ziggo Bond Company B.V.” had been to “the Company”.

So long as any Notes are outstanding, the Issuer will furnish to the Trustee within 120 days following the end of each fiscal year, beginning with the fiscal year ending December 31, 2010, (a) an audited balance sheet of the Issuer as of the end of the two most recent fiscal years (or such shorter time as the Issuer has been in existence) and audited consolidated income statements and statements of cash flow of the Issuer for the three most recent fiscal years (or such shorter time as the Issuer has been in existence), including complete footnotes to such financial statements and the report of the independent auditors on the financial statements and (b) financial statements and such other information as is required to be filed with the Euro MTF Market.

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 Issuer 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 Issuer 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 Luxembourg Stock Exchange 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;
- (2) default in the payment when due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on, the Notes;
- (3) failure by Issuer, the Company or relevant Senior Facility Obligor to comply with the provisions described under the caption "—Certain Covenants—Consolidation, Merger or Sale of Assets" and "—Minimum Period for Voting under the Senior Credit Agreement";
- (4) failure by Issuer, the Company or relevant Senior Facility Obligor for 60 days after written notice to the Issuer and 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, the Note Security Documents or the Covenant Agreement);
- (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 Issuer, 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, either (i) 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 or (ii) such Indebtedness is secured by a Permitted Collateral Lien pursuant to clauses (1) or (2) of the definition thereof;

- (6) failure by the Issuer, 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 Issuer, the Company or any of its Restricted Subsidiaries of any material representation, warranty or agreement in the Note Security Documents or the Senior Facility Security Documents (as applicable); (ii) any security interest created by the Note Security Documents or the Senior Facility Security Documents ceases to be in full force and effect (except as permitted by the terms of the Indenture or the Note Security Documents), or an assertion by the Issuer, the Company or any of its Restricted Subsidiaries that any Note Collateral or any Senior Facility Collateral is not subject to a valid, perfected security interest (except as permitted by the terms of the Indenture); or (iii) the repudiation by the Company of any of its material obligations under the Note Security Documents or the Senior Facility Security Documents;
- (8) except as permitted by the Indenture, any Senior Facility 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 Senior Facility Guarantor, or any Person acting on behalf of any Senior Facility Guarantor, denies or disaffirms its obligations under its Senior Facility Guarantee;
- (9) any Facility E1 Loan ceases to be in full force and effect or any Facility E1 Loan is declared null and void or unenforceable or any Facility E1 Loan is found to be invalid or any Facility E1 Borrower denies its liabilities under its any Facility E1 Loan or the Facility E1 Tranche or payments under any Facility E1 Loan become subject to any other Lien; and
- (10) certain events of bankruptcy or insolvency described in the Indenture with respect to the Issuer, 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 event the occurrence of any Default or Event of Default described in clauses (3) and (4) above with respect to any covenant, agreement or undertaking in the Indenture or the Notes applicable to any Senior Facility Obligor, such Senior Facility Obligor will be deemed to be in default of its corresponding obligations under the Covenant Agreement.

Remedies under the Indenture

In the case of an Event of Default arising from certain events of bankruptcy or insolvency, with respect to the Issuer or 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 Issuer and the Company are each required to deliver to the Trustee annually a statement regarding compliance with the Indenture.

Remedies under the Senior Credit Agreement

Whenever payment under the Notes has been accelerated due to an Event of Default under the Indenture, the Issuer shall, by immediate notice to the Company:

- (1) declare that an event of default under the Senior Credit Agreement has occurred in respect of Facility E;
- (2) cancel all of the commitments under the Senior Credit Agreement with respect to the Facility E1 Tranche;
- (3) declare that all amounts outstanding under the Facility E1 Tranche are immediately due and payable; and
- (4) make a claim under Clause 18 (*Guarantee and indemnity*) of the Senior Credit Agreement to each Senior Facility Guarantor for all of the amounts outstanding under the Facility E1 Tranche.

The Senior Credit Agreement and the Voting Deed Poll place certain restrictions on the voting rights of the Issuer with respect to an enforcement action in respect of the Senior Facility Collateral. For further details, see “—Facility E, the Facility E1 Tranche and the Senior Credit Agreement—Voting Rights under the Senior Credit Agreement”.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder of the Issuer, the Company or any Senior Facility Guarantor, as such, will have any liability for any obligations of the Issuer, the Company or the Senior Facility Guarantors 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, instruct the Issuer to, and upon receipt of such instruction the Issuer will, elect

to have all of its obligations discharged with respect to the outstanding Notes discharged (“*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 Issuer’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 Issuer’s 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, instruct the Issuer to, and upon receipt of such instruction the Issuer will, elect to have the obligations of the Issuer 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 Issuer and 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 Issuer 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 Issuer 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 Issuer must deliver to the Trustee an opinion reasonably acceptable to the Trustee of United States counsel confirming that (a) the Issuer 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 Issuer 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 Issuer must deliver to the Trustee an Officer’s Certificate stating that the deposit was not made by the Issuer with the intent of preferring the holders of Notes over the other creditors of the Issuer with the intent of defeating, hindering, delaying or defrauding any creditors of the Issuer or others; and

- (5) the Issuer 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 Covenant Agreement, the Note Security Documents, the Collateral Sharing Agreement, the Facility E1 Tranche, the Facility E1 Loans, the Voting Deed Poll, any Additional Collateral Sharing Agreement, the Priority Agreement, any Additional Priority Agreement, the Parallel Priority Agreement, any Additional Parallel Priority Agreement or any Intercreditor 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 Covenant Agreement, the Note Security Documents, the Collateral Sharing Agreement, the Facility E1 Tranche, the Facility E1 Loans, the Voting Deed Poll, any Additional Collateral Sharing Agreement, the Priority Agreement, any Additional Priority Agreement, the Parallel Priority Agreement, any Additional Parallel Priority Agreement or any Intercreditor 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;
- (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) change the ranking of the Notes, the Facility E1 Loans or Senior Facility Guarantees in respect of the Facility E1 Loans;
- (10) release any Note Collateral granted for the benefit of the holders of the Notes, except in accordance with the terms of the Indenture, the Note Security Documents and the Collateral Sharing Agreement;

- (11) release any Senior Facility Guarantor from any of its Obligations under its Senior Facility Guarantee, except in accordance with the terms of the Indenture;
- (12) release any Senior Facility Collateral granted for the benefit of the Facility E1 Loans, except in accordance with the terms of the Indenture;
- (13) amend or waive any Secured Finance Document as described in clauses (1) through (7) under “—Certain Covenants—Limitations on Amendments to Senior Finance Documents” or amend or waive any provisions of clauses (1) through (7) of the covenant of the Indenture described under “—Certain Covenants—Limitations on Amendments to Senior Finance Documents” or amend or waive any corresponding obligations of the Senior Facility Obligors under the Covenant Agreement;
- (14) amend or waive any provision of the Voting Deed Poll in any manner materially adverse to the holders of the Notes; or
- (15) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding, without the consent of any holder of Notes, the Issuer and the Trustee may amend or supplement the Indenture, the Notes, the Covenant Agreement, the Note Security Documents, the Collateral Sharing Agreement, the Facility E1 Tranche, the Facility E1 Loans, the Voting Deed Poll, any Additional Collateral Sharing Agreement, the Priority Agreement, any Additional Priority Agreement, the Parallel Priority Agreement, any Additional Parallel Priority Agreement or any Intercreditor Agreement:

- (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 Senior Facility Guarantor’s obligations under the Senior Credit Agreement and the Covenant Agreement in the case of a merger or consolidation or sale of all or substantially all of the Company’s or such Senior Facility 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 Note 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 Note Security Documents, or the Notes;
- (6) to enter into additional or supplemental Note Security Documents;
- (7) to release any Senior Facility Guarantee in accordance with the terms of the Indenture;
- (8) to release the Note Collateral or the Senior Facility Collateral in accordance with the terms of the Indenture;
- (9) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture as of the Issue Date; or
- (10) 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 Issuer, 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 Issuer 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 Issuer has paid or caused to be paid all sums payable by it under the Indenture; and
- (3) the Issuer 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 Issuer 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 Issuer, shall constitute a discharge of the Issuer's obligation under the Indenture and the Notes 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 Issuer 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

Each of the Issuer and 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

Issuer, 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 Issuer 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 Note Security Documents, the Senior Credit Agreement, the Priority Agreement, the Parallel Priority Agreement, the Covenant Agreement and the Voting Deed Poll 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 Issuer 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 and the Notes 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

All of the assets of the Issuer are outside the United States. As a result, any judgment obtained in the United States against the Issuer may not be collectable within the United States. See “Enforcement of Judgments”.

Prescription

Claims against the Issuer 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 Issuer 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.

“*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 Ziggo Bond Company B.V. and the Company pursuant to which Ziggo Bond Company B.V. lends to the Company, on terms substantially identical to those contained in the Proceeds Loan, the proceeds of an issuance of additional notes under the Senior Unsecured Note Indenture or the proceeds of any other incurrence of Indebtedness of Ziggo Bond Company B.V. that is guaranteed by the Senior Facility Obligors pursuant to clause (16) of the definition of Permitted Debt, as amended from time to time; *provided* that the principal amount of, and interest rate on, such Additional Proceeds Loan will not be greater than the principal amount of, and interest rate on, the Indebtedness of Ziggo Bond Company B.V. that funded such Additional Proceeds Loan.

“*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 November 15, 2013, (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 November 15, 2013 (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 November 15, 2013, 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 November 15, 2013; *provided, however*, that, if the period from such redemption date to November 15, 2013 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;
- (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; or
- (5) the Parent shall cease to directly or indirectly hold 100% of the Capital Stock of the Issuer,

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 Sharing Agreement*” means the notes intercreditor deed between, among others, the Issuer, the Parent, the Security Trustee and the Trustee, as amended, restated or otherwise modified or varied from time to time.

“*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 third paragraph under the caption “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock” other than clause (16) of such paragraph); *provided* that, for purposes of calculating the Consolidated Leverage Ratio of any Person (x) for the purpose of incurring Indebtedness by the Company or any other Senior Facility Guarantor on such date of determination pursuant to the second paragraph under the caption “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock” and (y) for the purposes of (i) clause (15) of the definition of Permitted Debt, (iii) clause (b) of the second paragraph under the caption “—Certain Covenants—Restricted Payments” and clause (4) of the second paragraph under the caption “—Certain Covenants—Merger, Consolidation or Sale of Assets”, Indebtedness incurred pursuant to clause (16) of the third paragraph under the caption “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock” shall be excluded for the total amount of Indebtedness of such Person and its Restricted Subsidiaries.

“*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 second paragraph under the caption “—Certain Covenants—Restricted Payments”, any net income or loss of any Restricted Subsidiary (other than any Senior Facility 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 Senior Facility 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 Senior Facility 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.

“*Covenant Agreement*” means the covenant agreement, dated the Issue Date, among the Issuer, the Senior Facility Obligors and the Trustee pursuant to which the Senior Facility Obligors agree to be bound by the covenants in the Indenture applicable to them.

“*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.

“*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.

“*EBITDA*” means, with respect to any specified Person for any period, operating profit for the period, before deducting depreciation and amortization and impairment charges, determined on an entity, combined or consolidated basis, as applicable, *pro forma* for any disposition or any sale or other conveyance or transfer of any assets from a Senior Facility Obligor to a Restricted Subsidiary that is not a Senior Facility Obligor during such period or subsequent thereto.

“*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 (other than to the Company or any of its Subsidiaries) 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.

“*Facility D*” means the “Casema D Term Loan Facility” and the “Kabelcom D Term Loan Facility”, in each case, as defined under the Senior Credit Agreement.

“*Facility EI Borrowers*” means Torenspits B.V., Serpering Investments B.V. and Plinius Investments B.V., and their respective successors and assigns.

“*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 Senior Facility 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).

“*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 October 29, 2010.

"*Issuer Asset Sale*" means the sale, lease, conveyance or other disposition of any rights, property or assets by the Company, other than the granting of a Permitted Issuer Lien or any Permitted Issuer Investment.

"*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 Collateral” means the property and assets of the Issuer or any other Person over which a Lien has been granted to secure the obligations of the Issuer under the Notes and the Indenture pursuant to the Note Security Documents.

“Note Security Documents” means the Issuer Share Pledge, the Issuer Bank Account Charge, the 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 Note 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.

“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 May 7, 2010 made between, among others, Ziggo Bond Company B.V., the Company, the Senior Facility Guarantors, the trustee under the Senior Unsecured Note Indenture 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” means Stitching Holding Ziggo Finance, a foundation incorporated under the laws of The Netherlands.

“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:

- (1) Liens on the Senior Facility Collateral to secure (i) Indebtedness under Credit Facilities that is permitted by clause (1) of the definition of Permitted Debt and (ii) Indebtedness of the Company and the Senior Facility Guarantors permitted by the second paragraph of the covenant entitled “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock” and Permitted Refinancing Indebtedness in respect thereof (and Permitted Refinancing Indebtedness in respect of such Permitted Refinancing Indebtedness); *provided* that, in each case, all property and assets (including, without limitation, the Senior Facility

Collateral) securing such Indebtedness also secure the Facility E1 Tranche or the Senior Facility Guarantees on a senior or *pari passu* basis; *provided further* that each of the parties thereto will have entered into the Priority Agreement, an Additional Priority Agreement or an Intercreditor Agreement;

- (2) Liens on the Senior Facility Collateral securing the Company's or any Restricted Subsidiary's obligations under Hedging Obligations (other than Hedging Obligations in respect of commodity prices and only to the extent such Hedging Obligations relate to Indebtedness referred to in clause (1) above or Indebtedness of Ziggo Bond Company B.V. that is guaranteed by the Senior Facility Obligors pursuant to clause (16) of the definition of Permitted Debt and, in each case, such Indebtedness is also secured by the Senior Facility Collateral) permitted by clause (7) of the definition of Permitted Debt, *provided* that the assets and properties securing such Indebtedness will also secure the Facility E1 Tranche or the Senior Facility Guarantees on a senior or *pari passu* basis, *provided further* that each of the parties thereto will have entered into the Priority Agreement, an Additional Priority Agreement or an Intercreditor Agreement; and
- (3) Liens on the Senior Facility Collateral arising by operation of law or that are described in one or more of clauses (3), (6), (7), (8), (12), (14), (17) and (21) of the definition of "Permitted Liens" and that, in each case, would not materially interfere with the ability of the Senior Security Agent to enforce any Lien over the Senior Facility Collateral.

"*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 (7) of the third 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” and any Guarantee of Indebtedness of Ziggo Bond Company B.V. incurred pursuant to clause (16) of the definition of Permitted Debt;
- (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; and
- (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 Issuer Investments*” means Investments in:

- (1) cash and Cash Equivalents;
- (2) the Notes;
- (3) any Additional Issuer Debt;

- (4) the Facility E1 Loans; and
- (5) any Additional Facility E Loan.

“Permitted Issuer Liens” means:

- (1) Liens created for the benefit of (or to secure) the Notes;
- (2) Liens on the Shared Note Collateral to secure Additional Issuer Debt; and
- (3) Liens arising by operation of law described in one or more of clauses (6) or (14) of the definition of Permitted Liens.

“Permitted Issuer Maintenance Payments” means amounts paid to the Parent to the extent required to permit the Parent to pay reasonable amounts required to be paid by it to maintain the Issuer’s corporate existence and to pay reasonable accounting, legal, management and administrative fees and other bona fide operating expenses (to the extent such amounts were not already paid by the Company or its Subsidiaries or any other Person), in an aggregate annual amount not to exceed €500,000 per annum.

“Permitted Liens” means:

- (1) Liens in favor of the Company or any of the Restricted Subsidiaries;
- (2) 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;
- (3) 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);
- (4) Liens to secure Indebtedness permitted by clause (3) of the third 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;
- (5) Liens existing on the Issue Date;
- (6) 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;
- (7) Liens imposed by law, such as carriers’, warehousemen’s, landlord’s and mechanics’ Liens, in each case, incurred in the ordinary course of business;
- (8) 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;
- (9) Liens created for the benefit of (or to secure) the Notes and the Obligations of the Senior Facility Obligors under the Senior Finance Documents (including the Facility E1 Loans);

- (10) Liens securing Indebtedness under Hedging Obligations, which obligations are permitted by clause (7) of the third paragraph of the covenant described above under the caption “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock”;
- (11) 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;
- (12) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;
- (13) 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;
- (14) 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;
- (15) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;
- (16) 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;
- (17) leases, licenses, subleases and sublicenses of assets in the ordinary course of business;
- (18) 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;
- (19) (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;
- (20) 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;
- (21) 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;
- (22) Liens (including put and call arrangements) on Capital Stock or other securities of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary;

- (23) 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;
- (24) 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
- (25) 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;
- (26) 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; and
- (27) 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.

“*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 Obligations of the Senior Facility Obligors under the Senior Credit Agreement (including the Facility E1 Loans), as the case may be, such Permitted Refinancing Indebtedness is subordinated in right of payment to such Obligations on terms at least as favorable to the Facility E Lender in respect of the Facility E1 Loans, 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 any Senior Facility Obligor was the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged, such Indebtedness is incurred either by a Senior Facility Obligor or a Finance Subsidiary.

“*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.

“*Priority Agreement*” means the priority agreement between, among others, the Company, 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.

“*Pro Forma Consolidated EBITDA*” means, with respect to any specified Person for any period, the Consolidated EBITDA of such Person giving pro forma effect to any acquisitions (including through mergers or consolidations) and dispositions that have occurred during such period or subsequent to such period.

“*Pro Forma Consolidated Gross Assets*” means, with respect to any specified Person as of any date, the total assets of such Person and its Restricted Subsidiaries, calculated on a consolidated basis in accordance with GAAP, excluding all intra group items and investments in any Subsidiaries of such Person or by such Person or any of its Restricted Subsidiaries, giving pro forma effect to any acquisitions (including through mergers or consolidations) and dispositions that have occurred subsequent to such period.

“*Proceeds Loan*” means the proceeds loan agreement dated May 7, 2010, among Ziggo Bond Company B.V. and the Company pursuant to which Ziggo Bond Company B.V. lent to the Company the proceeds of the Senior Unsecured Notes issued on May 7, 2010, as amended from time to time; *provided* that the principal amount of, and interest rate on, the Proceeds Loan will not be greater than the principal amount of, and interest rate on, the Indebtedness of Ziggo Bond Company B.V. that funded such Proceeds Loan.

“*Public Debt*” means any bonds, debentures, notes or other indebtedness (other than loans) of a type that could be issued or traded in any market where capital funds are traded, including private placement sources of debt as well as organized markets and exchanges, whether such indebtedness is issued in a public offering or in a private placement to institutional investors or otherwise.

“*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.

"Senior Credit Agreement" means the €3,350 million senior credit agreement between, among others, the Company, 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 Facility Borrowers*” means Serpering Investments B.V., Plinius Investments II B.V., Ziggo B.V. and any Subsidiary of the Company that accedes to the Senior Credit Agreement as an additional borrower thereunder in accordance with the provisions of the Indenture or the Senior Credit Agreement, and their respective successors and assigns.

“*Senior Facility Collateral*” means the property and assets of any Senior Facility Obligor or any other Person over which a Lien has been granted to secure the Obligations of the Senior Facility Obligors under the Facility E1 Loans and the Senior Facility Guarantees in respect thereof pursuant to the Senior Facility Security Documents.

“*Senior Facility Guarantee*” means the Guarantee by each Senior Facility Guarantor of the Senior Facility Borrowers’ Obligations under the Senior Credit Agreement (including the Facility E1 Loans).

“*Senior Facility Guarantors*” means, collectively, the Company, Christina Beheer- en Adviesmaatschappij B.V., Torensplits 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 accedes to the Senior Credit Agreement as an additional guarantor thereunder in accordance with the provisions of the Indenture or the Senior Credit Agreement, and their respective successors and assigns, in each case, until the Senior Facility Guarantee of such Person has been released in accordance with the provisions of the Indenture.

“*Senior Facility Obligors*” means the Senior Facility Borrowers and the Senior Facility Guarantors.

“*Senior Facility Security Documents*” means each “Security Document” as defined in the Senior Credit Agreement as of, and existing on, the Issue Date and other instruments and documents executed and delivered pursuant to the Indenture or the Senior Credit Agreement or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time and pursuant to which the Senior Facility Collateral is pledged, assigned or granted to or on behalf of the Senior Security Agent for the ratable benefit of lenders and other finance parties under the Senior Credit Agreement or notice of such pledge, assignment or grant is given.

“*Senior Facilities*” means the credit facilities made available pursuant to the Senior Credit Agreement.

“*Senior Finance Document*” means any document or agreement defined as a “Senior Finance Document” under the Senior Credit Agreement as of the Issue Date and any other document or agreement designated as such after the Issuer Date in accordance with the terms of the Senior Credit Agreement, excluding the Covenant Agreement.

“*Senior Security Agent*” means the “Security Agent” as defined in the Senior Credit Agreement.

“*Senior Unsecured Note Indenture*” means the indenture dated as of May 7, 2010, among, *inter alia*, Ziggo Bond Company B.V., as issuer, the Senior Facility Obligors, as guarantors, and Deutsche Trustee Company Limited, as the trustee, as the same may be amended, supplemented or otherwise modified from time to time.

“*Senior Unsecured Notes*” the €1,209 million senior notes due 2018 issued by Ziggo Bond Company B.V. under the Senior Unsecured Note Indenture and any additional notes issued thereunder.

“*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 Facility E1 Loans 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” (as defined in the Parallel Priority Agreement) under the Parallel Priority Agreement;
- (6) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Facility E1 Loans or compliance by the Company with its obligations under the Indenture, the Covenant Agreement or the Senior Credit Agreement;
- (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 Deed Poll*” means the voting deed poll dated on or about 22 October 2010 executed and delivered by the Issuer as the Facility E Lender as required by the Senior Credit Agreement.

“*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 Agents 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.

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, the Trustee, the Paying Agents, the Registrar 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 pledge 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 forth 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 offering 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 forth 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 (a 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% (the 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 average of 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. The deemed return of 4% will be taxed at a rate of 30% (the rate for 2010). It is envisaged that as of 2011 the deemed return will no longer be calculated on the individual’s average yearly yield basis, but will be calculated on the individual’s yield basis at the beginning of the year.

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. Although the 20% tax rate for the full first €200,000 of taxable income is a temporary measure, a legislative proposal has been submitted to the Dutch Parliament on September 21, 2010, which would, if enacted, keep the Dutch corporate income tax rate for the first €200,000 of taxable income unchanged at 20% and reduce the tax rate for the taxable income exceeding €200,000 to 25%.

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 ten 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 twelve 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 (or certain other types of person) 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 transitional period is to terminate following agreement by certain non-EU countries to the exchange of information relating to such payments. The Directive does not preclude Member States from levying other types of withholding tax. A number of non-EU 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 (the “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, any state thereof or the District of Columbia, (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.

Characterization of the Notes: The proper characterization of instruments such as the Notes for U.S. federal income tax purposes is not entirely clear. It is possible that the Notes could, for example, be treated as debt of the Issuer or the Facility E Borrowers or as an equity interest in the Issuer. The Issuer intends to file an election to be treated as an entity disregarded as separate from its owner for U.S. federal income tax purposes, effective on or prior to the date of the issuance of the Notes. The Issuer intends to take the position that the Notes should be characterized as indebtedness for U.S. federal income tax purposes. However, the Issuer’s determination is not binding on the IRS. The remainder of this discussion assumes the Notes will be characterized as debt for U.S. federal income tax purposes.

Prospective purchasers of the notes are urged to consult their tax advisors regarding the characterization of the notes and the potential tax consequences in the event the notes are recharacterized as equity for U.S. federal income tax purposes.

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.

It is anticipated, and this discussion assumes that the Notes will not be treated as is issued with more than a *de minimis* amount of original issue discount for US federal income tax purposes.

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 (and if it elects, an accrual 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 taxable 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 taxable disposition of the Notes may be subject to information reporting requirements unless the holder qualifies as an exempt recipient. Backup withholding 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).

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 foreign currency 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.

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 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 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 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) The purchaser understands that the Notes are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Notes have not been and will not be registered under the U.S. Securities Act and that (A) if in the future it decides to offer, resell, pledge or otherwise transfer any of the Notes, such Notes may be offered, resold, pledged or otherwise transferred only (i) in the United States to a person whom the seller reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, and (ii) outside the United States in a transaction complying with the provisions of Rule 904 under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any State of the United States, and that (B) the purchaser will, and each subsequent holder is required to, notify any subsequent purchaser of the Notes from it of the resale restrictions referred to in (A) above.
- (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, 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 or Regulation S.
- (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 only (i) to the Issuer, (ii) 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 or (iii) pursuant to offers and sales that occur outside the United States in compliance with Regulation S under 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 our and the trustee's rights prior to any such offer, sale or transfer, to require that a certificate of transfer in the form appearing in the Indenture is completed and delivered by the transferor to the Trustee.
- (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.
- (7) Each purchaser acknowledges that each Note will contain a legend substantially to the following effect:

THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "U.S. SECURITIES ACT"), AND THIS NOTE MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT) EXCEPT TO (A) QUALIFIED INSTITUTIONAL BUYERS IN RELIANCE ON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT PROVIDED BY RULE 144A OR (B) PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE U.S. SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS NOTE AGREES FOR THE BENEFIT OF THE ISSUER THAT (A) THIS NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE UNDER RULE 144A, IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A; (II) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT; OR (III) TO THE ISSUER, IN

EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN 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.

- (8) 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.
- (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	€150,000,000
Goldman Sachs International	150,000,000
Deutsche Bank AG, London Branch	75,000,000
J.P. Morgan Securities Ltd.	75,000,000
Morgan Stanley & Co. International plc	75,000,000
BNP PARIBAS	37,500,000
ING Bank N.V., London Branch	37,500,000
The Royal Bank of Scotland plc	37,500,000
ABN AMRO Bank N.V.	18,750,000
Lloyds TSB Bank plc	18,750,000
Natixis	18,750,000
Nomura International plc	18,750,000
Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International)	18,750,000
Société Générale	18,750,000
Total	€750,000,000

(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 the Issuer and the Senior Facility Obligors 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. The Issuer and the Senior Facility Obligors have agreed, subject to certain limited exceptions, not to (i) offer, sell, contract to sell or otherwise dispose of, except as provided under the Purchase Agreement, any securities of, or guaranteed by, the Issuer, the Senior Facility Obligors or any of their affiliates that are substantially similar to the Notes or (ii) guarantee any securities of Ziggo Bond Company B.V. issued, in each of clauses (i) and (ii) above, during the period from the date of the Purchase Agreement through and including the date 45 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 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 Relevant Member State, each initial purchaser has represented and agreed that with effect from and including 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 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 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 Financial Services and Markets Act 2000 (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 Market, 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 the 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 six United Kingdom business days following the date of pricing of the Notes (this settlement cycle is being referred to as “T + 6”).

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.

ING Bank N.V., London Branch and Lloyds TSB Bank plc are not U.S.-registered broker-dealers 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. Certain of the initial purchasers and/or their respective affiliates are lenders under and/or may hold positions in debt under our Senior Credit Agreement, including the Term Loan C Facility, a portion of which will be repaid with the proceeds of this offering of Notes. At the date of this offering memorandum, Goldman Sachs International and its affiliates hold approximately 5.2% of the debt outstanding under the Senior Secured Credit Facilities.

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, New York and English 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, New York and English law, and by Allen & Overy LLP, as to matters of Dutch law.

INDEPENDENT AUDITORS

The opening balance sheet of the Issuer as of October 19, 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. Securities and Exchange Act of 1934, as amended (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 October 19, 2010. The address of the Issuer is Herengracht 450, 1017 CA Amsterdam, 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 admitted to trading on the Luxembourg Stock Exchange's Euro MTF Market and the rules of such exchange shall so require, copies of Articles of Association of the Issuer and the Indenture will be available free of charge at the specified office of the Paying Agent in Luxembourg referred to in paragraph 7 below. So long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and are admitted to trading 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.
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 September 30, 2010, 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. The Issuer is not a party to any litigation that, in our judgment, is material in the context of the issue of the Notes, except as disclosed herein.
8. 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.
9. The issuance of the Notes was authorized by resolutions of the sole statutory corporate director of the Issuer passed at meetings held on October 20, 2010.
10. 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 055232776 and 055232768, respectively. The ISIN numbers for the Global Notes sold pursuant to Regulation S are XS0552327768 and the ISIN numbers for the Global Notes sold pursuant to Rule 144A are XS0552327685.

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.
MHz	Megahertz, or one million hertz (a unit of frequency).
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, broadband Internet or telephony services over our network. Thus, one subscriber who receives all our services would be counted as three 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 which, 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-bit rate 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.

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Ziggo Finance B.V.

**Opening balance sheet as
per 19 October 2010**

To: the shareholders of Ziggo Finance B.V.

Auditor's report

Introduction

We have audited the accompanying opening balance sheet and explanatory notes of Ziggo Finance B.V., Amsterdam, as per 19 October 2010. This statement is the responsibility of the company's management. Our responsibility is to express an opinion on this opening balance sheet based on our audit.

Scope

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 opening balance sheet is free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the opening balance sheet. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall presentation of the opening balance sheet.

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 opening balance sheet of Ziggo Finance B.V. as per 19 October 2010 has been prepared, in all material respects in accordance with the accounting selected and disclosed by the company, as set out in the notes to the opening balance sheet.

Other matter—restriction in use (and distribution)

The opening balance sheet of Ziggo Finance B.V. and our auditor's report thereon are intended solely for the purpose of inclusion in the prospectus of Ziggo Finance B.V. regarding the bond issuance and are not suitable for other purposes.

Amsterdam, 19 October 2010

Ernst & Young Accountants LLP

F.J. Blenderman

OPENING BALANCE SHEET ZIGGO FINANCE B.V.

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OPENING BALANCE SHEET

As per 19 October 2010

in thousands of Euro

ASSETS

	Note	19 October 2010
Cash and cash equivalent		18

Current assets		18
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TOTAL ASSETS		18
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EQUITY AND LIABILITIES

Issued share capital		18
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Equity attributable to equity holders	3	18
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TOTAL EQUITY AND LIABILITIES		18
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The accompanying notes are an integral part of the statement of financial position.

NOTES TO THE OPENING BALANCE SHEET

1. CORPORATE INFORMATION

Ziggo Finance B.V. (the 'Company') is a private limited company incorporated having its corporate seat in Amsterdam (Address: Herengracht 450, 1017 CA Amsterdam) The Netherlands. The Company is wholly owned by Stichting Holding Financing Company Ziggo.

Ziggo Finance B.V. was established on 19 October 2010. The Company's fiscal year is equal to a calendar year. The principal activities of the Company are to obtain financial resources including, but not limited to, the issuance of bonds and subsequently grant these resources to affiliates and / or third parties as well as to exercise all related rights.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The opening balance sheet as per 19 October 2010 of Ziggo Finance B.V. is prepared for the purpose of inclusion in the prospectus of Ziggo Finance B.V. regarding a bond issuance. The opening balance sheet has been prepared in accordance with IAS 1 para 54 - 80A and IAS 32 of the International Financial Reporting Standards 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 is presented in thousands of Euros (€) except when stated otherwise.

3. SHAREHOLDER'S EQUITY

The Company is incorporated as a private limited liability company under Dutch law. Its registered capital fully consists of ordinary shares.

	19 October 2010
Authorised capital:	
Ordinary shares 900 of €100 each	90
Issued an fully paid (180 shares)	18
Equity attributable to equity holders	18

4. RELATED PARTY DISCLOSURES

Management Board

The Company is managed by Deutsche International Trust Company N.V.

5. COMMITMENTS AND CONTINGENCIES

The Company does not have any commitments or contingencies at 19 October 2010.

6. SUBSEQUENT EVENTS

The Company intends to issue a bond. Issuance of the bond is planned to be completed by the end of October 2010. Goldman Sachs and Credit Suisse have been mandated as joint book runners for the bond issue. The Company is in the process of distributing the proceeds to a third party under the same terms and conditions as the bond.

Amsterdam, 19 October 2010
Deutsche International Trust Company N.V.

**Condensed interim
consolidated financial
statements (unaudited)**

Amsterdamse Beheer- en
Consultingmaatschappij B.V.

**Nine month period ended
30 September 2010**

Amsterdamse Beheer- en Consultingmaatschappij B.V., Amsterdam
Condensed interim consolidated financial statements for the nine month period ended
30 September 2010

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INTERIM CONSOLIDATED INCOME STATEMENT

For the nine month period ended 30 September

Amounts in thousands of euro	Note	30 September 2010 unaudited	30 September 2009 unaudited
Total Revenues		1,018,961	950,404
Cost of goods sold		190,100	183,492
Personnel		125,872	137,975
Contracted work		31,300	42,000
Materials & logistics		2,876	6,301
Marketing & sales		45,109	43,979
Office expense		38,233	39,798
Other operating expenses		2,681	5,570
Depreciation		209,516	190,123
Amortisation	5	167,298	149,285
Total operating expenses		812,985	798,523
Operating income		205,976	151,881
Net financial income (expense)	3	(252,384)	(249,393)
Loss before income taxes		(46,408)	(97,512)
Income tax benefit (expense)	4	11,834	24,863
Net loss for the period		(34,574)	(72,649)
Net loss attributable to equity holders of the parent		(34,574)	(72,649)

The accompanying notes to this income statement form an integral part to these condensed interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine month period ended 30 September

Amounts in thousands of euro	30 September 2010 unaudited	30 September 2009 unaudited
Net loss for the period.....	(34,574)	(72,649)
Cash flow hedges, net of tax.....	10,817	(23,805)
Total comprehensive income for the period.....	(23,757)	(96,454)
Total comprehensive income attributable to equity holders of the parent.....	(23,757)	(96,454)

INTERIM CONSOLIDATED BALANCE SHEET

Amounts in thousands of euro	Note	30 September 2010 unaudited	31 December 2009 audited
ASSETS			
Property and equipment		1,466,609	1,549,664
Intangible assets	5	3,443,216	3,593,060
Other financial assets		343	368
Deferred income tax asset	4	123,482	138,513
Total non-current assets		5,033,650	5,281,605
Inventories		25,119	25,542
Trade accounts receivable		32,256	43,592
Other current assets		24,189	27,184
Cash and cash equivalents		62,531	65,271
Total current assets		144,095	161,589
TOTAL ASSETS		5,177,745	5,443,194
EQUITY AND LIABILITIES			
Issued share capital		9,813	9,813
Share premium		1,394,953	1,394,953
Other reserves	9	(16,332)	(27,149)
Retained earnings		(536,002)	(430,501)
Net income (loss) for the period		(34,574)	(105,501)
Equity attributable to equity holders		817,858	841,615
Loans from financial institutions	6	2,356,508	3,712,042
Loans payable to related parties	7	1,176,003	–
Derivative financial instruments	9	94,900	102,261
Deferred income tax liability	4	424,366	447,528
Total non-current liabilities		4,051,777	4,261,831
Trade accounts payable		52,507	102,951
Deferred revenue		107,051	106,247
Current liabilities related parties		313	948
Other current liabilities	8	148,239	129,602
Total current liabilities		308,110	339,748
TOTAL EQUITY AND LIABILITIES		5,177,745	5,443,194

The accompanying notes to this statement of financial position form an integral part to these condensed interim consolidated financial statements.

INTERIM 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 1 January 2009 (<i>audited</i>)	9,813	1,394,953	–	(206,665)	(223,836)	974,265
<u>Comprehensive income</u>						
Net loss for the first nine months of 2009	–	–	–	–	(72,649)	(72,649)
<i>other comprehensive income:</i>						
cash flow hedges, net of tax	–	–	(23,805)	–	–	(23,805)
Total comprehensive income	–	–	(23,805)	–	(72,649)	(96,454)
<u>Transactions with owners</u>						
Appropriation of net loss 2008	–	–	–	(223,836)	223,836	–
Total transactions with owners	–	–	–	(223,836)	223,836	–
Balance at 30 September 2009 (<i>unaudited</i>)	9,813	1,394,953	(23,805)	(430,501)	(72,649)	877,811
<u>Comprehensive income</u>						
Net loss for the last three months of 2009	–	–	–	–	(32,852)	(32,852)
<i>other comprehensive income:</i>						
cash flow hedges, net of tax	–	–	(3,344)	–	–	(3,344)
Total comprehensive income	–	–	(3,344)	–	(32,852)	(36,196)
Balance at 31 December 2009 (<i>audited</i>)	9,813	1,394,953	(27,149)	(430,501)	(105,501)	841,615
<u>Comprehensive income</u>						
Net loss for the first nine months of 2010	–	–	–	–	(34,574)	(34,574)
<i>other comprehensive income:</i>						
cash flow hedges, net of tax	–	–	10,817	–	–	10,817
Total comprehensive income	–	–	10,817	–	(34,574)	(23,757)
<u>Transactions with owners</u>						
Appropriation of net loss 2009	–	–	–	(105,501)	105,501	–
Total transactions with owners	–	–	–	(105,501)	105,501	–
Balance at 30 September 2010 (<i>unaudited</i>)	9,813	1,394,953	(16,332)	(536,002)	(34,574)	817,858

INTERIM CONSOLIDATED CASH FLOW STATEMENT

For the nine month period ended 30 September

Amounts in thousands of euro	Note	30 September 2010 unaudited	30 September 2009 unaudited
Operating activities			
Operating income		205,976	151,881
Adjustments to reconcile operating profit to net cash flow			
Non Cash			
Depreciation		209,516	190,123
Amortisation		167,298	149,285
Movement in provisions		(5,625)	1,080
Working Capital adjustments			
(Increase)/Decrease in Current assets		14,754	(25,167)
Increase/(Decrease) in Current liabilities		(26,015)	(4,079)
Change in Working Capital		(11,261)	(29,246)
Net cash flow from operating activities		565,904	463,123
Investing activities			
Interest received		148	921
Purchase of property, equipment and software		(133,488)	(159,383)
Change in financial assets		25	439
Net cash flow used in investing activities		(133,315)	(158,023)
Financing activities			
Interest paid		(190,850)	(191,313)
Proceeds from borrowings from a related party	7	1,200,037	–
Repayment loans	6	(1,401,092)	(100,000)
Banking and financing fees		(43,424)	(2,586)
Net cash flow from financing activities		(435,329)	(293,899)
Net (decrease)/increase in cash and cash equivalents		(2,740)	11,201
Net cash and cash equivalents at 1 January		65,271	42,541
Net cash and cash equivalents at 30 September		62,531	53,742
Net cash and cash equivalents consist of:			
Cash and cash equivalents		62,531	53,742
Cash and cash equivalents at 30 September		62,531	53,742

The accompanying notes to this cash flow statement form an integral part to these condensed interim consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

The interim condensed consolidated financial statements of Amsterdamse Beheer- en Consultingmaatschappij B.V. (the 'Company') for the nine months ended 30 September, 2010 were prepared by the Management Board on 21 October, 2010. The Company is a private limited company incorporated having its corporate seat in Amsterdam (Address: 9723 AB Groningen, Winschotendiep 60) The Netherlands. The ultimate shareholders of the Company are several funds, managed by 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.

2 ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the nine months ended 30 September, 2010 have been prepared in accordance with IAS 34.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements of the direct subsidiary Amsterdamse Beheer- en Consultingmaatschappij B.V. as at 31 December 2009.

The interim condensed consolidated financial statements are presented in thousands of Euros (€) except when otherwise indicated.

The accounting policies applied in these interim condensed consolidated financial statements are the International Financial Reporting Standards as endorsed by the European Union.

In order to align to current year's presentation certain operating expenses for the year ended 31 December 2009 have been reclassified. As a result the comparative numbers in the interim consolidated income statement do not correspond to the 2009 financial statements. The reclassifications did not impact operating income.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2009, except for the adoption of new standards and interpretations as of 1 January, 2010, noted below:

IFRS 3 'Business Combinations' (revised standard 2008)

This revised standard has been applied prospectively and since there were no acquisitions during the first nine months of 2010, the change did not have an impact on the Company's consolidated financial statements. The main changes are:

- All transaction costs incurred in respect of an acquisition by an acquirer (whether directly or indirectly) are charged immediately to the income statement, instead of being added to the cost of the acquisition.
- Where an acquisition involves contingent consideration, the amount of that consideration is included at its fair value at the date of acquisition. Any subsequent changes in the amount payable

are recorded in the income statement, and are not used to adjust the cost of the acquired entity (or, in the consolidated financial statements, goodwill).

- Any changes to the amount of a deferred tax asset arising after an acquisition, in respect of tax losses of an acquiree where a deferred tax asset was not recognised at the acquisition date, are recognised in the income statement (tax line) and not as an adjustment to goodwill, unless the change in the amount of the deferred tax asset occurs within 12 months of the acquisition in which case goodwill is adjusted (unless the change is clearly related to a post acquisition date event).
- After a controlling interest in another entity is acquired, any gain or loss arising on a partial further acquisition or disposal is recorded in equity. The minority interest is adjusted for the relative change in interest, and any difference between the amount paid or received by the parent and the change in minority interest is recognised in equity.

IAS 27 'Consolidated and Separate Financial Statements'

The change in accounting policy has been applied prospectively; there was no impact on the Company's consolidated financial statements. The main changes are:

- Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for within shareholders' equity as transactions with owners acting in their capacity as owners.
- When a parent loses control any retained interest in the former subsidiary is recognised at its fair value at the date control is lost.

IFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions

The standard has been amended to clarify the accounting for group cash-settled share-based payment transactions. This amendment also supersedes IFRIC 8 and IFRIC 11. The adoption of this amendment did not have any impact on the financial position or performance of the Company.

IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items

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. The amendment had no effect on the financial position nor performance of the Company.

IFRIC 17 Distribution of Non-cash Assets to Owners

This interpretation provides guidance on accounting for arrangements whereby an entity distributes noncash assets to shareholders either as a distribution of reserves or as dividends. The interpretation had no effect on the financial position nor performance of the Company.

Improvements to IFRSs (issued April 2009)

In April 2009 the Board issued its second 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 position or performance of the Group.

The Company has not early adopted any other standard, interpretation or amendment that was issued but is not yet effective.

Significant accounting judgements and estimates

The preparation of the condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2009 (reference is made to Note 3 of the Annual Report 2009).

3 NET FINANCIAL INCOME AND EXPENSE

	30 September 2010 unaudited	30 September 2009 unaudited
Interest expense		
Loans and overdrafts financial institutions	(173,190)	(229,578)
Interest expense related parties	(38,683)	–
Capitalised borrowing cost	10,426	2,535
Other interest expense	(1,182)	(1,362)
	<u>(202,629)</u>	<u>(228,405)</u>
Interest income	148	921
Other net financial income and expense		
Amortisation financing fees	(13,760)	(13,011)
Write-off residual financing fees	(11,361)	–
Fair value gains (losses) on derivative financial instruments	(7,862)	(6,312)
Foreign exchange results, net of foreign currency swap result	505	–
Waiver fees related to refinancing	(15,030)	–
Commitment fees	<u>(2,395)</u>	<u>(2,586)</u>
	<u>(49,903)</u>	<u>(21,909)</u>
Net financial income (expense)	(252,384)	(249,393)

The Company's financing has changed in 2010, which is discussed in Note 6 Loans from financial institution and Note 7 Loans payable to related parties. As a consequence of this change and a lower EURIBOR the Company's interest expense reduced in the first nine months of 2010 compared to 2009. The write-off of the financing fees on the Mezzanine facility amount to € 11.4 million. In order to redeem the Mezzanine facility the Company incurred cost in the amount of € 15.0 million.

IAS 23 'Borrowing Costs' requires to Company to capitalise borrowing cost that are directly attributable to the construction of a qualifying asset, hence the Company's assets under construction. For the first nine months of 2010 the Company capitalised borrowing cost in the amount of € 10.4 million (2009 € 2.5 million), which are presented as a deduction of interest expense. Borrowing cost increased due to the availability of more detailed and accurate information on the Company's assets under construction in order for the asset to qualify.

4 INCOME TAXES

The subsidiaries of the Company are incorporated in the fiscal unity of Zesko B.V. for corporate income tax purposes. Income tax recognised in the income statement for the nine month period ended consist of:

	30 September 2010 unaudited	30 September 2009 unaudited
Deferred tax asset	(11,328)	(3,073)
Deferred tax liability	23,162	27,936
Total income tax	11,834	24,863

In addition to this the Company recognised income tax in other comprehensive income at 30 September for the following amounts:

	30 September 2010			30 September 2009		
	Before tax	Tax (expense) / benefit unaudited	Net of tax	Before tax	Tax (expense) / benefit unaudited	Net of tax
Cash flow hedges	(21,922)	5,590	(16,332)	(31,953)	8,148	(23,805)

Other comprehensive income	(21,922)	5,590	(16,332)	(31,953)	8,148	(23,805)
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5 INTANGIBLE ASSETS

Impairment of software

During the first nine months of 2010 the Company impaired capitalised development of software in the amount of € 8.9 million since the Company no longer intends to complete the development and subsequently use the software. (2009: nil). The impairment is recognised within Amortisation and impairment.

Goodwill

Goodwill is tested for impairment annually (as at 31 December) and when circumstances indicate the carrying value may be impaired. The Company's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations that use a discounted cash flow model. The key assumptions used to determine the recoverable amount for the different cash generating units were discussed in the annual financial statements for the year ended 31 December 2009. Up to 30 September, 2010 there were no indications that required an impairment test.

6 LOANS FROM FINANCIAL INSTITUTIONS

In the second quarter of 2010, parent company Ziggo Bond Company B.V. issued unsecured senior notes in the amount of €1,208.9 million and subsequently provided the Company with an intercompany loan (see Note 7 Loans payable to related parties) in the same amount. The Company applied the proceeds to redeem the Mezzanine facility of € 1,181.1 million with an original maturity date of 2016. Interest added to the Mezzanine facility until redemption and unpaid interest amount to € 21.8 million.

Furthermore, the Company made repayments on its senior credit facilities A and C in the amount of € 111.0 million and € 108.9 million respectively.

7 LOANS PAYABLE TO RELATED PARTIES

On 27 April, 2010, Ziggo Bond Company issued unsecured senior notes of € 1,208.9 million at a price of 99.271% with a nominal interest rate of 8.0% due in 2018. Interest on the notes is payable semi-annually in arrears on May 15 and November 15. Subsequently, Ziggo Bond Company B.V. granted the proceeds of the senior notes to the Company under the same terms and conditions to redeem the Mezzanine facility as stated in Note 6 Loans from financial institutions. The intercompany loan is stated at amortised cost. The Company has been charged with the related financing fees of € 25.9 million, which are presented as a deduction from the loan. Financing fees are amortised over the term of the loan and recognised within financial income and expense.

8 CURRENT LIABILITIES

Current liabilities at 30 September comprise of:

	30 September 2010 unaudited	31 December 2009 audited
Accrued expenses	60,788	70,744
Accrued interest	38,916	1,561
Provisions – current	18,069	23,694
Taxes and Social Security	17,453	19,613
Holiday allowance	6,367	5,182
Bonuses to personnel	4,554	5,983
Pension contribution	744	838
Other	1,348	1,987
Total	148,239	129,602

Accrued interest represents interest payable on the intercompany loan provided by Ziggo Bond Company B.V., which equals accrued interest on the unsecured senior notes issued by Ziggo Bond

Company B.V. (see note 7 Loans payable to related parties). Interest on the intercompany loan is payable semi-annually in arrears on May 15 and November 15, commencing November 15, 2010.

9 FINANCIAL RISKS AND INSTRUMENTS

The Company manages its exposure to changes in interest rates and its overall cost for financing by using interest rate swap (IRS) agreements. They are used to transform the interest exposure on the senior credit facility loans. At 30 September, 2010 approximately 74% of the Company's floating interest borrowings have been swapped. The fair value of the IRS amounts a credit of € 94.9 million, compared to a credit of € 102.3 million as per year end 2009.

Hedge accounting is applied for the effective part of the IRS. Any change in fair value of the effective part is recorded in the cash flow hedge reserve, within equity attributable to equity holders. The cash flow hedge reserve as per 30 September, 2010 amounts a debit of € 16.3 million, net of deferred tax (year-end 2009: a debit of € 27.1 million, net of deferred tax).

As a result of the repayment of the Mezzanine facility and the issuance by the unsecured bond, the floating interest position has decreased by € 1,181.1 million. Consequently the Company has adjusted its hedge position by entering into IRS to partly offset existing IRS. The over hedged position of the IRS as well as the offset IRS are not subject to hedge accounting and therefore any change in fair value is recognized as financial income and expense. In 2010 the financial income and expense include an amount of € 7.9 million (loss) for value gains and losses on IRS in fair value of financial derivatives.

Repayments changed the maturity profile of the Company's financial liabilities. For the next 24 months the company has no scheduled debt repayment requirements.

10 SUBSEQUENT EVENTS

On October 21, 2010 the Company announced that it may refinance part of its senior debt, utilizing the proceeds of Senior Secured Notes issued by a third party. The Company expects to refinance at better conditions and refinancing would extend the Company's debt maturity profile. Completion of the refinancing is expected before the end of October 2010.

Amsterdam, 21 October 2010

B. E. Dijkhuizen
H. L. L. Groenewegen
M. J. Nijhoff
P. J. Hendriks

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
<u>Comprehensive income</u>						
Net loss for the year 2008	–	–	–	–	(223,836)	(223,836)
Total comprehensive income	–	–	–	–	(223,836)	(223,836)
<u>Transactions with owners</u>						
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
<u>Comprehensive income</u>						
Net loss for the year 2009	–	–	–	–	(105,501)	(105,501)
<i>other comprehensive income:</i>						
cash flow hedges, net of tax	–	–	(27,149)	–	–	(27,149)
Total comprehensive income	–	–	(27,149)	–	(105,501)	(132,650)
<u>Transactions with owners</u>						
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-pensioenfondsen'). 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

	2009	2008
Total employee benefits expenses		
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%					
Facility C.....	EURIBOR +3.00%	2014	625,000	475,000	1,100,000	1,100,000
Facility D.....	EURIBOR +4.25%	2015	625,000	475,000	1,100,000	1,100,000
		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:

Repayment date	Percentage of initial amount	
	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:

	Total	Not due		Past due, but not impaired			
		<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:

	Carrying amount	Contractual cash flows	January-March 2010	April-December 2010	2011	2012 - 2014	After 2014
31 December, 2009							
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							
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
<u>Financial assets</u>				

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 *
Torensplits 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 31 December 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
Torensplits 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 Torensplits 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	–
Torensplits II B.V.	525	–
Ziggo B.V.	–	12,106
<i>Net intercompany account</i>	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.
Torensplits 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	–
<i>Net intercompany account</i>	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-pensioenfondsen’). 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 or 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 lease liabilities.

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 derivatives 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:

	Total	Not due	Past due, but not impaired				
		<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:

Repayment date	Percentage of initial amount	
	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.

Increase / decrease in basis points	31 December, 2008	31 December, 2007
+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
<u>Financial assets</u>				
Cash & cash equivalents	42,400	121,748	42,400	121,748
Interest rate swap.....	—	50,640	—	50,640
Other financial assets	—	336	—	336
<u>Financial liabilities (– = credit amount)</u>				
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 *
Torensplits 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
Torensplits 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 consolidated 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 Torensplits II B.V. The rate of interest applicable is 10.16% per annum. The loan to Torensplits 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
<i>Net intercompany account</i>	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.
Torensplits 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.

SCHEDULE 1

FORM OF AMENDED AND RESTATED SENIOR CREDIT AGREEMENT

**AMENDED AND RESTATED
SENIOR CREDIT AGREEMENT**

SENIOR CREDIT FACILITIES

for

AMSTERDAMSE BEHEER- EN CONSULTINGMAATSCHAPPIJ B.V.

as the Parent and Guarantor

arranged by

ABN AMRO BANK N.V.

CREDIT SUISSE

GOLDMAN SACHS INTERNATIONAL

ING BANK N.V.

and

MORGAN STANLEY BANK INTERNATIONAL LIMITED

with

ING BANK N.V.

as Facility Agent and Security Agent

**THIS AGREEMENT IS ENTERED INTO WITH THE BENEFIT OF AND SUBJECT TO THE
TERMS OF A PRIORITY AGREEMENT DATED ON OR ABOUT THE DATE OF THIS
AGREEMENT**

DATED 12th September, 2006

as amended and restated on 17th November, 2006 and on 7 May 2010

Allen & Overy LLP

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THIS AGREEMENT is dated 12th September, 2006 as amended and restated on 17th November, 2006 and on the Effective Date

BETWEEN:

- (1) **AMSTERDAMSE BEHEER- EN CONSULTINGMAATSCHAPPIJ B.V.** a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, having its corporate seat in Amsterdam, with trade register number 33195889 (the **Parent**);
- (2) **THE PERSONS** listed in Part 1 of Schedule 1 (Original Parties) as original borrowers (in this capacity the **Original Borrowers**);
- (3) **THE PERSONS** listed in Part 1 of Schedule 1 (Original Parties) as original guarantors (in this capacity the **Original Guarantors**);
- (4) **ABN AMRO BANK N.V., CREDIT SUISSE, GOLDMAN SACHS INTERNATIONAL, ING BANK N.V.** and **MORGAN STANLEY BANK INTERNATIONAL LIMITED** as mandated lead arrangers (in this capacity the **Arrangers**);
- (5) **THE PERSONS** listed in Part 2 of Schedule 1 (Original Parties) as original lenders (the **Original Lenders**);
- (6) **ING BANK N.V.** as issuing bank (in this capacity the **Issuing Bank**);
- (7) **ING BANK N.V.** as facility agent (in this capacity the **Facility Agent**); and
- (8) **ING BANK N.V.** as security agent and trustee (in this capacity the **Security Agent**).

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement:

Acceptable Bank means:

- (a) a bank or financial institution which has a rating for its long-term unsecured and non-credit enhanced debt obligations of AA or higher by S&P or Fitch or Aa2 or higher by Moody's or a comparable rating from an internationally recognised credit rating agency; or
- (b) any other bank or financial institution approved by the Facility Agent.

Accession Agreement means an Issuing Bank Accession Agreement or an Obligor Accession Agreement.

Accession Document has the meaning given to that term in Clause 31(e) (Permitted Extended Capex/Restructuring Facility).

Accounting Date means each 31st March, 30th June, 30th September and 31st December.

Accounting Period means a period of approximately one year, three months or one month ending, in the case of each three month and one year period, on an Accounting Date for which Accounts are required to be prepared under this Agreement.

Accounting Standards means IFRS.

Accounts means each set of financial statements required to be prepared by a member of the Group and supplied to the Facility Agent under this Agreement.

Additional Borrower means a member of the Group which becomes a Borrower after the date of this Agreement under Clause 30.9 (Additional Obligors).

Additional Guarantor means a member of the Group which becomes a Guarantor after the date of this Agreement under Clause 30.9 (Additional Obligors).

Additional Obligor means an Additional Borrower or an Additional Guarantor.

Additional Senior Unsecured Notes means any debt securities issued by the Senior Unsecured Note Issuer after the Effective Date provided that such securities comply with the Senior Unsecured Note Major Terms and the proceeds of such securities (net, if applicable, of up-front fees, original issue discounts, underwriting commissions and discounts and costs and expenses related to the issuance of such securities) are on-lent in cash by the Senior Unsecured Note Issuer to the Parent under a Proceeds Loan.

Administrative Party means an Arranger, the Issuing Bank, the Facility Agent or the Security Agent.

Affiliate means a Subsidiary or a Holding Company of a person or any other Subsidiary of that Holding Company.

Agent means the Facility Agent or the Security Agent, as appropriate.

Agent's Spot Rate of Exchange means the Facility Agent's spot rate of exchange for the purchase of the relevant currency in the London foreign exchange market with the Base Currency as of 11.00 a.m. on a particular day.

Agreed Security Principles means the principles set out in Schedule 12 (Agreed Security Principles).

Ancillary Commitment means, for an Ancillary Lender and an Ancillary Facility, the maximum amount which that Ancillary Lender has agreed (whether or not subject to satisfaction of conditions precedent) to make available under an Ancillary Facility and which has been authorised as such under Clause 8 (Ancillary Facilities), to the extent not cancelled, transferred or reduced under this Agreement.

Ancillary Facility means any facility or financial accommodation established by a Lender under Clause 8 (Ancillary Facilities) in place of all or part of its Revolving Credit Commitment.

Ancillary Facility Document means any document evidencing an Ancillary Facility.

Ancillary Lender means a Lender (or any Affiliate of a Lender) which is making available an Ancillary Facility.

Ancillary Outstandings means, for an Ancillary Facility at any time, the Base Currency Equivalent on that date of the aggregate of all of the following amounts (as calculated by the relevant Ancillary Lender) outstanding at that time under that Ancillary Facility:

- (a) all amounts of principal then outstanding under any overdraft, cheque drawing or other account facilities determined on the same basis (whether net or gross) as that for determining any limit on those facilities imposed by the terms of that Ancillary Facility;
- (b) the maximum potential liability (excluding amounts stated to be in respect of interest and fees) under all guarantees, bonds and letters of credit then outstanding under that Ancillary Facility; and
- (c) in respect of any other facility or financial accommodation, such other amount as fairly represents the aggregate exposure of that Ancillary Lender under that facility or accommodation, as reasonably determined by that Ancillary Lender from time to time in

accordance with its usual banking practice for facilities or accommodation of the relevant type.

Applicable Receivables Financing Payment means any payment made by a factoring company to a member of the Group under a Permitted Receivables Financing from a previously unused available amount, commitment or limit under that Permitted Receivables Financing less any fees, costs or expenses paid or incurred in relation to such Permitted Receivables Financing but only if the aggregate amount used under that Permitted Receivables Financing after such additional utilisation exceeds the previous aggregate amount used under that Permitted Receivables Financing by more than €1,000,000 (so that, by way of example, if the initial amount of receivables which are factored under the Permitted Receivables Financing is €10,000,000 then the relevant member of the Group must prepay the Credits in an amount of € 10,000,000 and then if a subsequent utilisation is made such that the aggregate amount of receivables factored is increased to €20,000,000, the relevant member of the Group must make an additional prepayment of another €10,000,000. Furthermore, if the overall amount, commitment or limit of a Permitted Receivables Financing is increased after its initial date, any payment received by a member of the Group of such increased amount, commitment or limit shall give rise to an Applicable Receivables Financing Payment).

Approved Bank means an Acceptable Bank which has been given notice of the Security Interests granted under the Security Documents over the bank accounts held with that Acceptable Bank and, subject to the Agreed Security Principles, which has acknowledged such notice (in each case substantially in the form set out in the relevant Security Documents). If an Acceptable Bank is a Lender or an Administrative Party (or an Affiliate thereof) it will be deemed to have received and acknowledged those notices (on behalf of itself and, to the extent it is permitted to do so, on behalf of its Affiliates) by virtue of being a Party.

Auditors means PricewaterhouseCoopers, Ernst & Young, KPMG or Deloitte & Touche or such other independent public accountants of international standing which may be appointed by the Parent as its auditors in accordance with the provisions of Clause 20.6 (Auditors).

Availability Period means the period from and including the date of this Agreement to and including:

- (a) for the Casema A Term Loan Facility, the Casema B Term Loan Facility, the Casema C Term Loan Facility and the Casema D Term Loan Facility, the earlier of:
 - (i) the Casema Closing Date; and
 - (ii) 30th November, 2006 or such later date as may be agreed by the Majority Lenders;
- (b) for the Kabelcom A Term Loan Facility, the Kabelcom B Term Loan Facility, the Kabelcom C Term Loan Facility and the Kabelcom D Term Loan Facility, the earliest of:
 - (i) the Kabelcom Closing Date;
 - (ii) the last date for completion of the Kabelcom Acquisition as set out in the Kabelcom Acquisition Documents; and
 - (iii) 31st May, 2007 or such later date as may be agreed by the Majority Lenders;
- (c) for the Capex/Restructuring Facility, 30th June, 2010;
- (d) for the Revolving Credit Facility, one month prior to the Final Maturity Date for the Revolving Credit Facility; and
- (e) for each Facility E Tranche, the period from and including the relevant Facility E Commitment Date to and including the last day of the Availability Period for that Facility E Tranche as specified in the relevant Facility E Commitment Letter.

Base Case Model means the base case financial model in the agreed form incorporating the financial model relating to the Casema Acquisition on a standalone basis and the financial model for the combined Casema Acquisition and Kabelcom Acquisition.

Base Currency means euro.

Base Currency Equivalent means:

- (a) for an amount expressed or denominated in any currency other than the Base Currency, the equivalent of that amount in the Base Currency converted at the Agent's Spot Rate of Exchange on the date of the relevant calculation; and
- (b) for an amount expressed or denominated in the Base Currency, that amount.

Bidco Stock Purchase Agreements means:

- (a) the stock purchase agreement dated 13th July, 2006 between ABN AMRO Special Corporate Services B.V., ABN AMRO Bank N.V. and Zesko B.V. relating to the acquisition of Casema Bidco;
- (b) the stock purchase agreement dated 31st July, 2006 between ABN AMRO Special Corporate Services B.V., ABN AMRO Bank N.V. and Zesko B.V. relating to the acquisition of Kabelcom Bidco; and
- (c) the stock purchase agreement dated 31st July, 2006 between ABN AMRO Special Corporate Services B.V., ABN AMRO Bank N.V. and Zesko B.V. relating to the acquisition of Kabelcom Holdco.

Borrower means an Original Borrower or an Additional Borrower.

Break Costs means the amount (if any) which a Lender is entitled to receive under Clause 27.4 (Break Costs).

Business Day means a day (other than a Saturday or a Sunday) on which banks are open for general business in London and Amsterdam and:

- (a) if on that day a payment in or a purchase of a currency (other than euro) is to be made, the principal financial centre of the country of that currency; or
- (b) if on that day a payment in or a purchase of euro is to be made, which is also a TARGET Day.

Capex/Restructuring Commitment means:

- (a) for an Original Lender, the amount set opposite its name in Part 2 of Schedule 1 (Original Parties) under the heading **Capex/Restructuring Commitments** and the amount of any other Capex/Restructuring Commitment it acquires; and
- (b) for any other Lender, the amount of any Capex/Restructuring Commitment it acquires,

to the extent not cancelled, transferred or reduced under this Agreement.

Capex/Restructuring Facility means the capex facility referred to in Clause 2.10 (Capex/Restructuring Facility).

Capex/Restructuring Loan means a Loan under the Capex/Restructuring Facility.

Capital Expenditure means any expenditure which is treated as capital expenditure in accordance with the relevant Accounting Standards.

Casema means Casema Holding B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, having its corporate seat in Amsterdam, with trade register number 34100450.

Casema Acquisition means the acquisition by Casema Bidco of the Casema Shares in accordance with the Casema Acquisition Documents.

Casema Acquisition Costs means all fees, costs, expenses and stamp, registration or transfer Taxes incurred by (or required to be paid by) any member of the Group in connection with the Casema Acquisition.

Casema Acquisition Documents means:

- (a) the sale and purchase agreement dated 17th July, 2006 between Cable Acquisitions S.A.R.L. and Casema Bidco including, for the avoidance of doubt, all schedules and exhibits attached thereto;
- (b) the side letter relating to the sale and purchase agreement referred to in paragraph (a) above dated 17th July, 2006 from Casema Bidco to Cable Acquisitions S.A.R.L.;
- (c) the Casema Notary Letter; and
- (d) the notarial deed of transfer of the Casema Shares made pursuant to the documents referred to in the above paragraphs.

Casema Bidco means Serpering Investments B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, having its corporate seat in Amsterdam, with trade register number 30013097.

Casema Closing Date means the date on which the Casema Acquisition is completed in accordance with the Casema Acquisition Documents.

Casema Due Diligence Reports means the following reports produced, except where otherwise stated, in relation to the Casema Group:

- (a) the Casema Structure Memorandum;
- (b) the legal due diligence report prepared by Clifford Chance LLP dated 22nd May, 2006;
- (c) the insurance report prepared by Marsh dated 22nd May, 2006;
- (d) the market report prepared by Solon dated 23rd May, 2006;
- (e) the regulatory report prepared by Freshfields Bruckhaus Deringer dated 1st June, 2006;
- (f) the financial and tax due diligence report prepared by Deloitte & Touche dated 21st May, 2006;
- (g) the accounting report and tax report prepared by KPMG dated 30th June, 2006;
- (h) the insurance report prepared by AON dated 1st July, 2006;
- (i) the pensions report prepared by AON dated 1st July, 2006;
- (j) the market report prepared by Diamond Cluster dated July 2006;
- (k) the report on synergies prepared by Bain Consulting dated 12th July, 2006;
- (l) the legal due diligence report prepared by Stibbe dated 10th July, 2006;
- (m) the financial and tax due diligence report in respect of the Multikabel Group prepared by Ernst & Young dated 22nd September, 2005;

- (n) the update in relation to current trading of the Multikabel Group prepared by Ernst & Young dated 3rd July, 2006;
- (o) the legal due diligence report in respect of the Multikabel Group prepared by Nauta Dutilh and dated 14th March, 2005;
- (p) the update on legal due diligence in respect of the Multikabel Group prepared by Nauta Dutilh dated 30th June, 2006; and
- (q) the technical and operational review of the Multikabel Group network prepared by Last Mile Communications Limited dated 7th March, 2005.

Casema Funds Flow Statement means the statement in the agreed form prepared by Ernst & Young showing all payments to and/or by members of the Group in connection with the Casema Acquisition and the flow of funds occurring on and immediately before and after the Casema Closing Date.

Casema Group means Casema and its Subsidiaries as at the Casema Closing Date.

Casema Notary Letter means the letter to Mr. T.P. Van Duuren, civil law notary (or his deputy), dated on or about the Casema Closing Date from, *inter alios*, Casema Bidco and the Facility Agent.

Casema Opco means N.V. Casema, a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of The Netherlands, having its corporate seat in Amsterdam, with trade register number 27077764 and which, after the Casema Closing Date, is intended to be converted into a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*).

Casema Original Financial Statements means the audited consolidated financial statements of Casema for its annual accounting period ended 31st December, 2005.

Casema Shares means all the shares (of whatever class) in the capital of Casema, together with all related rights.

Casema Structure Chart means the structure chart which shows the structure of the Group on the Casema Closing Date and which is delivered to the Facility Agent under Clause 4.1(a) (Conditions precedent documents).

Casema Structure Memorandum means the tax and structure report prepared by Ernst & Young entitled "Project Code – Macro Step Plan v.5" dated 11th September, 2006 in the agreed form.

Casema Term Loan means a Loan under a Casema Term Loan Facility, and when designated **A**, **B1**, **B2**, **C** or **D** a Loan under the Casema Term Loan Facility so designated.

Casema Term Loan Commitment means:

- (a) for an Original Lender, the amount set opposite its name in Part 2 of Schedule 1 (Original Parties) under the heading **Casema Term Loan Commitments** and designated **A**, **B** (or **B1** or **B2**, as the case may be), **C** or **D** and the amount of any other Casema Term Loan Commitment so designated which it acquires; and
- (b) for any other Lender, the amount of any other Casema Term Loan Commitment so designated which it acquires,

in each case to the extent not cancelled, transferred or reduced under this Agreement.

Casema Term Loan Facility means:

- (a) when designated **A**, the term loan facility referred to in Clause 2.1 (Casema A Term Loan Facility);

- (b) when designated **B** (or **B1** or **B2**, as the case may be), the term loan facility (or sub-facility, as the case may be) referred to in Clause 2.2 (Casema B Term Loan Facility);
- (c) when designated **C**, the term loan facility referred to in Clause 2.3 (Casema C Term Loan Facility); or
- (d) when designated **D**, the term loan facility referred to in Clause 2.4 (Casema D Term Loan Facility),

or, if not so designated, any of them.

Cash means cash in hand or credit balances or amounts on deposit with any Acceptable Bank which is:

- (a) accessible by a member of the Group within 30 days; and
- (b) not subject to any Security Interest (other than one existing under the Security Documents or under Clauses 22.5(c)(iii) or 22.5(c)(vii) (Negative pledge)).

Cash Equivalent means at any time:

- (a) certificates of deposit maturing within one year after the relevant date of calculation, issued by an Acceptable Bank;
- (b) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, the U.K. or any member state of the European Economic Area or a Participating Member State or by an instrumentality or agency of any of them having an equivalent credit rating which:
 - (i) matures within one year after the relevant date of calculation; and
 - (ii) is not convertible to any other security;
- (c) open market commercial paper not convertible or exchangeable to any other security:
 - (i) for which a recognised trading market exists;
 - (ii) issued by an issuer incorporated in the United States of America, the U.K. or any member state of the European Economic Area or a Participating Member State;
 - (iii) which matures within one year after the relevant date of calculation; and
 - (iv) which has a credit rating of either A-1 or higher by S&P or Fitch or P-1 or higher by Moody's, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;
- (d) Sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or any dematerialised equivalent);
- (e) investments accessible within 30 days in money market funds which:
 - (i) have a credit rating of either A-1 or higher by S&P or Fitch or P-1 or higher by Moody's; and
 - (ii) invest substantially all their assets in securities of the types described in paragraphs (a) to (d) above; or
- (f) any other debt security or investment approved by the Majority Lenders,

in each case, to which any member of the Group is beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security Interest (other than one arising under the Security Documents).

CBA means Christina Beheer- en Adviesmaatschappij B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, having its corporate seat in Amsterdam, with trade register number 33195896.

Centre of Main Interests means the “centre of main interests” of an Obligor for the purposes of Council Regulation (EC) No 1346/2000 of 29 May 2000.

Change of Control means any event referred to in Clause 10.2(a), (b), (d) or (e) (Mandatory prepayment—change of control or sale of business).

Chief Financial Officer means at any time:

- (a) the finance director of the Parent; or
- (b) any director of the Parent acting as that officer’s deputy in that capacity or performing those functions.

Commitment means a Casema Term Loan Commitment, a Kabelcom Term Loan Commitment, a Facility E Commitment, a Capex/Restructuring Commitment, a Revolving Credit Commitment or an Ancillary Commitment.

Compliance Certificate means a certificate, substantially in the form of Schedule 7 (Form of Compliance Certificate).

Consolidated Cashflow, Consolidated EBITDA, Consolidated Total Debt Service, Consolidated Total Interest Payable, Consolidated Total Net Borrowings, Consolidated Total Net Interest Payable, Measurement Period, Relevant Covenant Schedule and Test Date each has the meaning given to it in Clause 21 (Financial Covenants).

Consolidated Net Income has the meaning given to that term in Schedule 22 (Consolidated Net Income).

Controlling Interest means, in respect of any limited liability company:

- (a) the ownership (directly or indirectly), and the ability to exercise control over the voting rights of, more than 50% of the voting shares of such company; and
- (b) holding (directly or indirectly) the right or ability to determine the composition of a majority of the managing board of directors (and having the ability to control the cashflows, financial policies and dividend distributions) of such company.

Covenant Agreement means any covenant agreement between one or more Obligors, the Facility E Lender and the Senior Secured Note Trustee pursuant to which those Obligors agree to be bound by covenants to which they are expressed to be bound in connection with an issue of Senior Secured Notes compliant with the definition of Senior Secured Note Major Terms (but not including any payment obligation), provided that the rights and remedies of the holders of the Senior Secured Notes under such agreement against the Obligors will be limited to a right to instruct the Facility E Lender to accelerate Facility E in accordance with Clause 23.19(c) (Acceleration) and a right to instruct the Facility E Lender to vote in connection with any enforcement action in accordance with the Facility E Voting Deed Poll.

Credit means a Loan or a Letter of Credit.

Default means:

- (a) an Event of Default; or

- (b) an event or circumstance which would be (with the expiry of a grace period, the giving of notice, or the making of any determination under the Senior Finance Documents or any combination of them) an Event of Default.

Dormant Subsidiary means each of the companies listed in Schedule 11 (Dormant Subsidiaries) and any other member of the Group which does not trade (for itself or as agent for any person) and does not own, legally or beneficially, assets the value of which in aggregate equals or exceeds €50,000 (or its equivalent in any other currency).

Due Diligence Reports means the Casema Due Diligence Reports and the Kabelcom Due Diligence Reports.

Dutch Civil Code means the *Burgerlijk Wetboek*.

Dutch GAAP means the generally accepted accounting principles, practices and standards in the Netherlands.

Effective Date means the Effective Date as defined in the Second Amendment Agreement, which was 7 May 2010.

Environmental Approval means any authorisation required by Environmental Law.

Environmental Claim means any claim by any person in connection with:

- (a) a breach, or alleged breach, of Environmental Law;
- (b) any accident, fire, explosion or other event of any type involving an emission or substance which is capable of causing harm to any living organism or the environment; or
- (c) any other environmental contamination.

Environmental Law means any law or regulation concerning:

- (a) the protection of health;
- (b) the environment;
- (c) the conditions of the workplace; or
- (d) any emission or substance which is capable of causing harm to any living organism or the environment.

Equity Cure has the meaning given in Clause 23.3(a) (Breach of other obligations).

Establishment means any place of operations where an Obligor carries on non-transitory economic activity with human means and goods.

EURIBOR means for an Interest Period of any Loan or overdue amount denominated in euro:

- (a) the applicable Screen Rate; or
- (b) if no Screen Rate is available for that Interest Period of that Loan or overdue amount, the arithmetic mean (rounded upward to four decimal places) of the rates, as supplied to the Facility Agent at its request, quoted by the Reference Banks to leading banks in the European interbank market,

as of 11.00 a.m. (Brussels time) on the Rate Fixing Day for the offering of deposits in euro for a period comparable to that Interest Period.

euro or **€** means the single currency of the Participating Member States.

Event of Default means an event specified as such in Clause 23 (Default).

Excess Cashflow means, for any annual Accounting Period of the Parent, Consolidated Cashflow for that period **minus**:

- (a) Consolidated Total Debt Service for that period;
- (b) the aggregate amount of any voluntary prepayments (and any other repayment or prepayment not included in the definition of Consolidated Total Debt Service) of the Credits or the Proceeds Loans made in accordance with the Senior Finance Documents during that period;
- (c) the amount which the Parent certifies has been committed to be spent for the purposes of funding any Permitted Capital Expenditure or Restructuring Costs in the following annual Accounting Period (but, in the case of Permitted Capital Expenditure only, to the extent the amount so committed does not exceed the unspent amount of the Capital Expenditure Limit which is carried forward to the next annual Accounting Period);
- (d) the aggregate amount of any Net Disposal Proceeds, Net Flotation Proceeds, Net Insurance Proceeds and any Net Recovery Proceeds received by any member of the Group during that period;
- (e) the amount of any Permitted Equity Investment, other than any Permitted Equity Investment made for the purpose of funding an Equity Cure; and
- (f) for the purpose of the annual Accounting Period ending 31st December, 2007 only, the amount of any overfunding included for the purposes of calculating Consolidated Cashflow (under paragraph (m) of that definition).

Existing Multikabel Facilities means the €356,000,000 senior facilities agreement and the €82,000,000 mezzanine facility agreement each dated 23rd November, 2005 and entered into by, *inter alios*, members of the Multikabel Group.

Facility means a Casema Term Loan Facility, a Kabelcom Term Loan Facility, Facility E, the Revolving Credit Facility, the Capex/Restructuring Facility or an Ancillary Facility.

Facility Change means:

- (a) the introduction of any additional tranche or facility into the Senior Finance Documents which constitutes a Permitted Facility Change (whether ranking senior to, *pari passu* with or junior to the Facilities);
- (b) any increase in or addition of any Commitment which is a Permitted Facility Change, any extension of a Commitment's availability or the redenomination of a Commitment into another currency;
- (c) any reduction (including in Margin), deferral or redenomination of any amount owing under the Senior Finance Documents; and
- (d) any changes to the Senior Finance Documents reasonably required to implement any of the foregoing.

Facility D Commitment means a Casema D Term Loan Commitment or a Kabelcom D Term Loan Commitment.

Facility D Lenders means the Lenders under the Casema D Term Loan Facility and the Kabelcom D Term Loan Facility.

Facility D Loan means a Casema D Term Loan or a Kabelcom D Term Loan.

Facility E means an uncommitted term loan facility which may become committed in accordance with Clause 2.15 (Facility E).

Facility E Commitment means, at any time, the aggregate principal amount of the Facility E Tranches committed to be made available in Facility E Commitment Letters at that time, to the extent not cancelled, transferred or reduced under this Agreement.

Facility E Commitment Date means, in respect of a Facility E Tranche, the date specified as the Facility E Commitment Date in the Facility E Commitment Letter establishing that Facility E Tranche.

Facility E Commitment Letter means a letter from the Parent and the Facility E Lender to the Facility Agent in the form set out in Schedule 17 (Facility E Commitment Letter).

Facility E Lender means a special purpose entity:

- (a) established for the purposes of issuing the Senior Secured Notes and acceding to this Agreement as the Facility E Lender in accordance with Clause 2.15 (Facility E);
- (b) the entire issued share capital of which is directly or indirectly held by or on behalf of a trustee for charitable and/or discretionary purposes (not being for the benefit of the Group or any member thereof) (a **Share Trustee**) or by or on behalf of another entity the entire issued share capital of which is held by a Share Trustee; and
- (c) which is not an Affiliate of any member of the Group.

Facility E Loan means a Loan under Facility E.

Facility E Tranche means each tranche of Facility E committed to be made available under a Facility E Commitment Letter in accordance with Clause 2.15 (Facility E).

Facility E Voting Deed Poll means a deed poll granted by the Facility E Lender for the benefit of the Finance Parties substantially in the form set out in Schedule 21 (Form of Facility E Voting Deed Poll) with such changes as the Facility Agent and the Facility E Lender may agree.

Facility Office means the office(s) notified by a Lender to the Facility Agent:

- (a) on or before the date it becomes a Lender; or
- (b) by not less than five Business Days' notice,

as the office(s) through which it will perform its obligations under this Agreement.

Fee Letter means any letter entered into by reference to this Agreement between one or more Administrative Parties and the Parent and/or Casema Bidco and/or Kabelcom Bidco setting out the amount of certain fees referred to in this Agreement.

Final Maturity Date means:

- (a) for the Casema A Term Loan Facility and the Kabelcom A Term Loan Facility, the date falling 7 years after the Casema Closing Date;
- (b) for the Casema B Term Loan Facility and the Kabelcom B Term Loan Facility, the date falling 8 years after the Casema Closing Date;
- (c) for the Casema C Term Loan Facility and the Kabelcom C Term Loan Facility, the date falling 9 years after the Casema Closing Date;

- (d) for the Casema D Term Loan Facility and the Kabelcom D Term Loan Facility, the date falling 9 years and 6 months after the Casema Closing Date;
- (e) for the Capex/Restructuring Facility and the Revolving Credit Facility, the date falling 7 years after the Casema Closing Date or if earlier the date on which all of the Casema Term Loans and the Kabelcom Term Loans have been irrevocably repaid in full; and
- (f) for each Facility E Tranche, such date (not being earlier than 14 September 2016) as is specified in the Facility E Commitment Letter establishing that Facility E Tranche.

Finance Document means a Mezzanine Finance Document or a Senior Finance Document.

Finance Party means a Lender, an Administrative Party or a Hedging Bank.

Financial Indebtedness means any indebtedness for or in respect of the following (without double counting):

- (a) moneys borrowed and debit balances at financial institutions;
- (b) any acceptance credit or bill discounting facility (including any dematerialised equivalent);
- (c) any bond, note, debenture, loan stock or other similar instrument;
- (d) any share in any member of the Group which is not held by another member of the Group and which 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 that security) is capable of maturing or being mandatorily redeemable or redeemable at the option of its holder in whole or in part on or before the Senior Discharge Date;
- (e) any agreement treated as a finance or capital lease in accordance with the relevant Accounting Standards;
- (f) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (g) the acquisition cost of any asset or service to the extent payable before or after its acquisition or possession by the party liable where the advance or deferred payment:
 - (i) is arranged primarily as a method of raising finance or financing the acquisition or construction of that asset or the acquisition of that service (but excluding trade credit on customary commercial terms); or
 - (ii) involves a period of more than six months before or after the date of acquisition or supply;
- (h) any Treasury Transaction (and, except for non-payment of an amount, the mark to market value of a Treasury Transaction will be used to calculate its amount);
- (i) any other transaction (including any forward sale or purchase agreement and any sale and sale back, Permitted Sale and Leaseback or deferred purchase arrangement) which has the commercial effect of a borrowing;
- (j) any counter-indemnity obligation in respect of any guarantee, indemnity, bond, letter of credit or other instrument issued by a bank or financial institution; or
- (k) any guarantee in respect of an underlying liability of any person which is of the nature referred to in the above paragraphs.

Fitch means Fitch Ratings Ltd. or any successor to its rating business.

Flotation means a successful application being made for the admission of any part of the share capital of any member of the Group or any Holding Company of any member of the Group (other than any Original Investor) to any stock or investment exchange or market, which for the avoidance of doubt shall include a Qualifying IPO.

Fund means a fund that invests in loans and has Casema B Term Loan Commitments and/or Casema C Term Loan Commitments and/or Casema D Term Loan Commitments and/or Kabelcom B Term Loan Commitments and/or Kabelcom C Term Loan Commitments and/or Kabelcom D Term Loan Commitments only.

Further Interest means, in respect of any member of the Group which owns a Controlling Interest in any company, any further shares that may be acquired by such member of the Group in that company.

Group means the Parent and its Subsidiaries.

Guarantor means an Original Guarantor or an Additional Guarantor.

Hedging Bank has the meaning given to it in the Priority Agreement.

Hedging Documents has the meaning given to it in the Priority Agreement.

Hedging Letter means a letter dated on or about the date of this Agreement between the Parent and the Facility Agent relating to the interest rate hedging to be effected by the Group.

Holding Company of any other person, means a person in respect of which that other person is a Subsidiary.

IFRS means international financial reporting standards (and international accounting standards).

Increased Cost means:

- (a) an additional or increased cost;
- (b) a reduction in the rate of return from a Facility or on a Finance Party's (or its Affiliate's) overall capital; or
- (c) a reduction of an amount due and payable under any Senior Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates but only to the extent attributable to that Finance Party having entered into any Senior Finance Document or funding or performing its obligations under any Senior Finance Document.

Information Package means:

- (a) the Base Case Model;
- (b) (as and when agreed between the Parent and the Arrangers) an information memorandum relating to the Group for use in connection with the syndication of the Facilities (including any appendices and/or attachments); and
- (c) the network report prepared by management of Casema dated 15th May, 2006.

Initial Senior Unsecured Notes means the debt securities issued by the Senior Unsecured Note Issuer on or prior to the Effective Date provided that such securities comply with the Senior Unsecured Note Major Terms and the proceeds of such securities (net, if applicable, of up-front fees, original issue discounts, underwriting commissions and discounts and costs and expenses related to the issuance of such securities) have been (or will on the Effective Date be) on-lent in cash by the Senior Unsecured Note Issuer to the Parent under a Proceeds Loan.

Insurance means any contract of insurance taken out by or on behalf of a member of the Group or under which it has a right to claim.

Intellectual Property Rights means:

- (a) any know-how, patent, trade mark, service mark, design, business name, domain name or similar right;
- (b) any copyright, data base or other intellectual property right; or
- (c) any interest (including by way of licence) in the above,

in each case whether registered or not, and includes any related application.

Intercompany Creditor has the meaning given to it in the Priority Agreement.

Intercompany Debtor has the meaning given to it in the Priority Agreement.

Interest means:

- (a) interest and amounts in the nature of interest accrued;
- (b) premiums, fees or costs incurred in repaying or prepaying any Financial Indebtedness;
- (c) discount fees and acceptance fees payable or deducted in respect of any Financial Indebtedness, including fees payable in respect of Letters of Credit and any other letters of credit and guarantees;
- (d) any net payment (or, if appropriate in the context, receipt) under any interest rate hedging agreement or instrument (including under the Hedging Documents), taking into account any premiums payable; and
- (e) any other payments and deductions of similar effect (including the interest element of finance leases),

and includes commitment and non-utilisation fees (including those payable under the Senior Finance Documents), but excludes agent's and front-end, management, arrangement and participation fees with respect to any Financial Indebtedness (including those payable under the Senior Finance Documents); and in the calculation of any Interest payable or received:

- (i) treating cash dividends on any preference shares issued to any person which is not a member of the Group as an interest cost;
- (ii) taking no account of any unrealised gains or losses on any financial instrument (other than any derivative instrument which is accounted for on a hedge accounting basis) which is reported through the income statement; and
- (iii) taking no account of any interest cost or expected return on plan assets in relation to any post-employment benefit scheme.

Interest Period means each period determined under this Agreement:

- (a) by reference to which interest on a Loan or an overdue amount is calculated; or
- (b) for which the Issuing Bank may be under a liability under a Letter of Credit.

Investors means:

- (a) the Original Investors; and

- (b) any person which acquires any interest (direct or indirect) in the issued share capital of the Parent.

Investor Documents means:

- (a) the deed of incorporation (*akte van oprichting*) and articles of association (*statuten*) of the Parent;
- (b) the equity commitment letter dated 18th August, 2006 between, *inter alios*, Kabelcom Holdco, Kabelcom Bidco, Essent Nederland B.V. and the Original Investors;
- (c) the equity commitment letter dated 17th July, 2006 between, *inter alios*, Casema Bidco, Cable Acquisitions SarL and the Original Investors;
- (d) the Essent Subscription Agreement dated 18th August, 2006 between, *inter alios*, Kabelcom Bidco and the Original Investors; and
- (e) the Subscription Agreement dated 17th July, 2006 between, *inter alios*, Casema Bidco and the Original Investors.

Issuing Bank Accession Agreement means an agreement substantially in the form of Part 2 of Schedule 8 (Form of Accession Agreements), with such amendments as the Facility Agent and the Parent may agree.

Joint Venture Investment means, in relation to any Permitted Joint Venture, the aggregate of the:

- (a) amount subscribed for shares in or used to acquire an interest in, lent to, or otherwise invested in that joint venture, associate or minority interest by any member of the Group;
- (b) actual or contingent liability of any member of the Group in respect of the liabilities of or otherwise arising out of its interest in that joint venture, associate or minority interest; and
- (c) book value of any assets transferred to that Permitted Joint Venture net of any cash consideration received at the time of that transfer in accordance with Clause 22.6(b)(ix) (Disposals).

Kabelcom means Essent Kabelcom B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, having its corporate seat in Amsterdam, with trade register number 02070653.

Kabelcom Acquisition means the acquisition by Kabelcom Bidco of the Kabelcom Shares and, if applicable, the purchase by and assignment to Kabelcom Holdco of the Kabelcom Inter-Group Payables, each in accordance with the Kabelcom Acquisition Documents.

Kabelcom Acquisition Costs means all fees, costs, expenses and stamp, registration or transfer Taxes incurred by (or required to be paid by) any member of the Group in connection with the Kabelcom Acquisition.

Kabelcom Acquisition Documents means:

- (a) the sale and purchase agreement dated 18th August, 2006 between, *inter alios*, Essent Nederland B.V. and Kabelcom Bidco (including, for avoidance of doubt, all schedules and exhibits attached thereto);
- (b) the assignment agreement relating to the assignment of the Kabelcom Inter-Group Payables (if any) which is entered into in accordance with the document referred to in the paragraph (a) above;
- (c) the notarial deed of transfer of the Kabelcom Shares made pursuant to the document referred to in the paragraph (a) above; and

- (d) the Kabelcom Notary Letter.

Kabelcom Bidco means:

- (a) prior to 24 January 2007, Plinius Investments B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, having its corporate seat in Amsterdam, with trade register number 33232525; and
- (b) on and after 24 January 2007, Plinius Investments II B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, having its corporate seat in Amsterdam, with trade register number 34262283.

Kabelcom Closing Date means the date on which the Kabelcom Acquisition is completed in accordance with the Kabelcom Acquisition Documents.

Kabelcom Due Diligence Reports means the following reports, in each case, prepared in relation to the Kabelcom Group:

- (a) the Kabelcom Structure Memorandum;
- (b) the legal due diligence report prepared by Freshfields Bruckhaus Deringer dated 30th June, 2006;
- (c) the accounting due diligence report prepared by Ernst & Young dated 20th June, 2006;
- (d) the tax due diligence report prepared by Ernst & Young dated 20th June, 2006;
- (e) the accounting report and tax report prepared by KPMG dated 13th July, 2006;
- (f) the insurance report prepared by AON dated 10th July, 2006;
- (g) the report entitled “Project Giant—Collective Labour Agreements in the Netherlands” prepared by Mercer Human Resource Consulting dated 12th July, 2006;
- (h) the pensions report prepared by Mercer Human Resource Consulting dated 10th July, 2006;
- (i) the market report prepared by Diamond Cluster dated July 2006;
- (j) the report on synergies prepared by Bain Consulting dated 12th July, 2006; and
- (k) the legal due diligence report prepared by Stibbe dated 14th July, 2006.

Kabelcom Funds Flow Statement means the statement in the agreed form prepared by Ernst & Young showing all payments to and/or by members of the Group in connection with the Kabelcom Acquisition and the flow of funds occurring on and immediately before and after the Kabelcom Closing Date.

Kabelcom Group means Kabelcom and its Subsidiaries as at the Kabelcom Closing Date.

Kabelcom Holdco means:

- (a) prior to 24 January 2007, Torensplits B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, having its corporate seat in Amsterdam, with trade register number 33242788; and

- (b) on and after 24 January 2007, Torensplits II B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, having its corporate seat in Amsterdam, with trade register number 34262281.

Kabelcom Inter-Group Payables means the “Inter-Group Payables” as defined in the sale and purchase agreement referred to in paragraph (a) of the definition of Kabelcom Acquisition Documents.

Kabelcom Notary Letter means the letter dated the Kabelcom Closing Date between, *inter alios*, Mr. Steven Perrick, civil law notary, or his substitute and Kabelcom Bidco and the Facility Agent.

Kabelcom Original Financial Statements means the unaudited management accounts of Kabelcom for its annual accounting period ended 31st December, 2005.

Kabelcom Shares means all the shares (of whatever class) in the capital of Kabelcom, together with all related rights.

Kabelcom Structure Chart means the structure chart which shows the structure of the Group on the Kabelcom Closing Date and which is delivered to the Facility Agent under Clause 4.1(b) (Conditions precedent documents).

Kabelcom Structure Memorandum means the tax and structure report prepared by Ernst & Young entitled “Project Code/Cosmos—Macro Step Plan v.3” dated 11th September, 2006 in the agreed form or any updated version of that report delivered prior to the Kabelcom Closing Date containing any amendments or changes which are expressly permitted under this Agreement.

Kabelcom Term Loan means a Loan under a Kabelcom Term Loan Facility, and when designated **A**, **B**, **C** or **D** a Loan under the Kabelcom Term Loan Facility so designated.

Kabelcom Term Loan Commitment means:

- (a) for an Original Lender, the amount set opposite its name in Part 2 of Schedule 1 (Original Parties) under the heading **Kabelcom Term Loan Commitments** and designated **A**, **B**, **C** or **D** and the amount of any other Kabelcom Term Loan Commitment so designated which it acquires; and
- (b) for any other Lender, the amount of any other Kabelcom Term Loan Commitment so designated which it acquires,

in each case to the extent not cancelled, transferred or reduced under this Agreement.

Kabelcom Term Loan Facility means:

- (a) when designated **A**, the term loan facility referred to in Clause 2.5 (Kabelcom A Term Loan Facility);
- (b) when designated **B**, the term loan facility referred to in Clause 2.6 (Kabelcom B Term Loan Facility);
- (c) when designated **C**, the term loan facility referred to in Clause 2.7 (Kabelcom C Term Loan Facility); or
- (d) when designated **D**, the term loan facility referred to in Clause 2.8 (Kabelcom D Term Loan Facility),

or, if not so designated, any of them.

Lender means:

- (a) an Original Lender;

- (b) on and from its accession to this Agreement in accordance with Clause 2.15 (Facility E), the Facility E Lender; or
- (c) any person which becomes a Lender after the date of this Agreement under Clause 30.2 (Assignments and transfers by Lenders) or Clause 31(e)(ii) (Permitted Extended Capex/Restructuring Facility).

Letter of Credit means a letter of credit, guarantee, bond or other instrument issued or to be issued by the Issuing Bank under this Agreement.

Loan means the principal amount of each borrowing under a Facility (other than an Ancillary Facility) or the principal amount outstanding of that borrowing.

Major Covenants means the covenants and undertakings given by any member of the Newco Group set out in Clauses 22.5 (Negative pledge), 22.6 (Disposals) and 22.7 (Financial Indebtedness).

Major Default means, with respect to any member of the Newco Group, an Event of Default falling within any of Clauses 23.2 (Non-payment), 23.3(c) (Breach of other obligations) (but only to the extent it relates to a Major Covenant), 23.4 (Misrepresentation) (but only to the extent that it relates to a Major Representation), 23.6 (Insolvency), 23.7 (Insolvency proceedings), 23.8 (Creditors' process), 23.9 (Analogous proceedings), 23.10 (Cessation of business), 23.11 (Senior Finance Documents and Senior Unsecured Notes), 23.13 (Priority Agreement) or 23.16 (Rescission of Agreements).

Major Representation means the representations and warranties made by any member of the Newco Group set out in Clauses 19.2 (Status) to 19.5 (Non-conflict) (inclusive) and 19.19 (Holding Companies).

Majority Facility D Lenders means, at any time, Lenders:

- (a) whose participation in the outstanding Facility D Loans and undrawn Facility D Commitments then aggregate $66\frac{2}{3}$ per cent. or more of the aggregate of all the outstanding Facility D Loans and undrawn Facility D Commitments of all the Lenders;
- (b) if there is no Facility D Loan then outstanding, whose undrawn Facility D Commitments then aggregate $66\frac{2}{3}$ per cent. or more of the Total Facility D Commitments; or
- (c) if there is no Facility D Loan then outstanding and the Total Commitments have been reduced to zero, whose Facility D Commitments aggregated $66\frac{2}{3}$ per cent. or more of the Total Facility D Commitments immediately before the reduction.

A Lender may by notice to the Facility Agent divide its Facility D Loans and undrawn Facility D Commitments into separate amounts to reflect participation or similar arrangements and require the separate amounts to be counted separately for the purpose of this definition.

Majority Lenders means, at any time, Lenders:

- (a) whose participation in the outstanding Credits, Ancillary Outstandings and undrawn Commitments then aggregate $66\frac{2}{3}$ per cent. or more of the aggregate of all the outstanding Credits, Ancillary Outstandings and undrawn Commitments of all the Lenders;
- (b) if there is no Credit or Ancillary Outstanding then outstanding, whose undrawn Commitments then aggregate $66\frac{2}{3}$ per cent. or more of the Total Commitments; or
- (c) if there is no Credit or Ancillary Outstanding then outstanding and the Total Commitments have been reduced to zero, whose Commitments aggregated $66\frac{2}{3}$ per cent. or more of the Total Commitments immediately before the reduction.

A Lender may by notice to the Facility Agent divide its Credits, Ancillary Outstandings or Commitments into separate amounts to reflect participation or similar arrangements and require the separate amounts to be counted separately for the purpose of this definition.

Mandatory Cost means the percentage rate per annum calculated by the Facility Agent in accordance with Schedule 4 (Calculation of the Mandatory Cost).

Margin means, for any amount (including an overdue amount) or Credit outstanding under, or which in the reasonable opinion of the Facility Agent is otherwise referable to:

- (a) prior to the Effective Date:
 - (i) subject to adjustment under Clause 11.3 (Margin adjustments), the Casema A Term Loan Facility, the Kabelcom A Term Loan Facility, the Capex/Restructuring Facility or the Revolving Credit Facility, 2.125 per cent. per annum;
 - (ii) subject to adjustment under Clause 11.3 (Margin adjustments), the Casema B Term Loan Facility or the Kabelcom B Term Loan Facility, 2.50 per cent. per annum;
 - (iii) the Casema C Term Loan Facility or the Kabelcom C Term Loan Facility, 3.00 per cent. per annum; and
 - (iv) the Casema D Term Loan Facility or the Kabelcom D Term Loan Facility, 4.25 per cent. per annum; and
- (b) on and after the Effective Date but prior to the Qualifying IPO Closing Date:
 - (i) subject to adjustment under Clause 11.3 (Margin adjustments), the Casema A Term Loan Facility, the Kabelcom A Term Loan Facility, the Capex/Restructuring Facility or the Revolving Credit Facility, 2.625 per cent. per annum;
 - (ii) subject to adjustment under Clause 11.3 (Margin adjustments), the Casema B Term Loan Facility or the Kabelcom B Term Loan Facility, 3.00 per cent. per annum;
 - (iii) the Casema C Term Loan Facility or the Kabelcom C Term Loan Facility, 3.50 per cent. per annum; and
 - (iv) the Casema D Term Loan Facility or the Kabelcom D Term Loan Facility, 4.75 per cent. per annum; and
- (c) on and after the Qualifying IPO Closing Date:
 - (i) subject to adjustment under Clause 11.3 (Margin adjustments), the Casema A Term Loan Facility, the Kabelcom A Term Loan Facility, the Capex/Restructuring Facility or the Revolving Credit Facility, 3.125 per cent. per annum;
 - (ii) subject to adjustment under Clause 11.3 (Margin adjustments), the Casema B Term Loan Facility or the Kabelcom B Term Loan Facility, 3.50 per cent. per annum;
 - (iii) subject to adjustment under Clause 11.3 (Margin adjustments), the Casema C Term Loan Facility or the Kabelcom C Term Loan Facility, 4.00 per cent. per annum; and
 - (iv) the Casema D Term Loan Facility or the Kabelcom D Term Loan Facility, 5.25 per cent. per annum.

Margin Adjustment Loans means the Casema A Term Loans, the Casema B Term Loans, the Capex/Restructuring Loans, the Kabelcom A Term Loans, the Kabelcom B Term Loans and the Revolving Credit Loans.

Material Adverse Effect means an event or circumstance which in all the circumstances:

- (a) is materially adverse to the business, assets or financial condition of the Group taken as a whole; or

- (b) is materially adverse to the ability of the Obligors taken as a whole (taking into account all the financial resources of the Group) to perform their financial covenants or payment obligations under the Senior Finance Documents; or
- (c) subject to the Reservations and any perfection requirements which are not overdue, affects the validity or enforceability of any of the Senior Finance Documents in a manner which would be materially adverse to the interests of the Lenders under the Facilities taken as a whole, and if capable of remedy is not remedied within 20 Business Days of the Parent becoming aware of the issue or being given notice of the issue by the Facility Agent.

Material Group Member means an Obligor or a Material Subsidiary or any other member of the Group which gives a guarantee or grants security in favour of the Finance Parties.

Material Subsidiary means a Subsidiary of the Parent whose gross assets or EBITDA equal or exceed 5 per cent. of the gross assets or Consolidated EBITDA of the Group.

For this purpose:

- (a) the gross assets and EBITDA of a Subsidiary of the Parent will be determined from its financial statements (consolidated if it has Subsidiaries) upon which the Accounts of the Group for the previous four quarterly Accounting Periods have been based;
- (b) if a Subsidiary of the Parent becomes a member of the Group after the date on which the latest quarterly Accounts of the Group have been prepared, the gross assets and EBITDA of that Subsidiary will be determined from its latest financial statements (consolidated if it has Subsidiaries);
- (c) the gross assets and Consolidated EBITDA of the Group will be determined from its Accounts for the previous four quarterly Accounting Periods adjusted (where appropriate) to reflect the gross assets or EBITDA of any company or business subsequently acquired or disposed of; and
- (d) the EBITDA of a Subsidiary (or a company or business subsequently acquired or disposed of) will be determined on the same basis as Consolidated EBITDA except that references to the Parent will be construed as references to that Subsidiary, company or business.

Notwithstanding the above:

- (i) from the Casema Closing Date, each company identified in Part 1 of Schedule 10 (Material Subsidiaries) will be treated as a Material Subsidiary, but only until it is demonstrated (by reference to the financial statements of that Subsidiary referred to in paragraphs (a) and (b) above and the Accounts of the Group referred to in paragraph (c) above for a period ended after the Casema Closing Date) not to be a Material Subsidiary according to the tests set out above;
- (ii) from the Kabelcom Closing Date, each company identified in Part 2 of Schedule 10 (Material Subsidiaries) will be treated as a Material Subsidiary, but only until it is demonstrated (by reference to the financial statements of that Subsidiary referred to in paragraphs (a) and (b) above and the Accounts of the Group referred to in paragraph (c) above for a period ended after the Kabelcom Closing Date) not to be a Material Subsidiary according to the tests set out above; and
- (iii) any member of the Group to which the Parent or a Material Subsidiary disposes of all or any substantial part of its assets will also be treated as a Material Subsidiary, but only until it is demonstrated (by reference to the financial statements of that Subsidiary referred to in paragraphs (a) and (b) above and the Accounts of the Group referred to in paragraph (c) above for a period ended after that transfer) not to be a Material Subsidiary according to the tests set out above.

Maturity Date means, for a Revolving Credit Loan or a Letter of Credit, the last day of its Interest Period.

Measurement Period has the meaning given to it in Clause 21 (Financial Covenants).

Mezzanine Agent means ING Bank N.V. as facility agent for the lenders under the Mezzanine Credit Agreement.

Mezzanine Credit Agreement means the €1,000,000,000 mezzanine credit agreement dated on or about the date of this Agreement between (among others) the Parent, the Mezzanine Agent and the Security Agent.

Mezzanine Facility means the Facilities made available under (and as defined in) the Mezzanine Credit Agreement.

Mezzanine Finance Document means:

- (a) the Mezzanine Credit Agreement;
- (b) any Fee Letter, Transfer Certificate, Compliance Certificate, Accession Agreement or Request (each as defined in the Mezzanine Credit Agreement);
- (c) a Security Document;
- (d) the Priority Agreement; or
- (e) any other document or agreement designated as such by the Mezzanine Agent, the Parent and the Facility Agent.

Mezzanine Loan means a Loan under (and as defined in) the Mezzanine Credit Agreement.

Moody's means Moody's Investors Service Limited or any successor to its ratings business.

Multikabel Group means CBA and its Subsidiaries.

Multikabel Original Financial Statements means the audited consolidated financial statements of Zesko B.V. for its annual accounting period ended 31st December, 2005.

Multikabel Refinancing Costs means all fees, costs, expenses and stamp, registration or transfer Taxes incurred by (or required to be paid by) any member of the Group in connection with the refinancing of the existing Financial Indebtedness of the Multikabel Group.

Net Disposal Proceeds has the meaning given to it in Clause 10.4(a) (Mandatory prepayment—disposals).

Net Flotation Proceeds has the meaning given to it in Clause 10.3(a) (Mandatory prepayment—Flotation).

Net Insurance Proceeds has the meaning given to it in Clause 10.5(a) (Mandatory prepayment—insurance proceeds).

Net Recovery Proceeds has the meaning given to it in Clause 10.6(a) (Mandatory prepayment—vendor warranties and report proceeds).

New Base Case Model means the base case financial model in the agreed form delivered to the Facility Agent under the Second Amendment Agreement as a condition precedent to the Effective Date.

Newco Group means the Parent, CBA, Casema Bidco, Kabelcom Holdco and Kabelcom Bidco.

NMa means the Dutch competition authority (*Nederlandse Mededingingsautoriteit*).

Non-Consenting Lender means any Lender who, in the following circumstances:

- (a) the Parent or the Facility Agent (at the request of the Parent) has requested the Lenders to consent to a waiver or amendment of any provisions of the Senior Finance Documents;
- (b) the waiver or amendment in question requires the consent of all the Lenders; and
- (c) the Majority Lenders have consented to such waiver or amendment,

does not and continues not to agree to such waiver or amendment.

Non-Obligor means a member of the Group which is not an Obligor.

Obligor means a Borrower or a Guarantor.

Obligor Accession Agreement means an agreement substantially in the form of Part 1 of Schedule 8 (Form of Accession Agreements), with such amendments as the Facility Agent and the Parent may agree.

Original Investor means:

- (a) limited partnerships (or Subsidiaries of limited partnerships) managed by Warburg Pincus LLC, a limited liability company formed under New York law, having its principal place of business at 466 Lexington Avenue, New York; and
- (b) limited partnerships or funds (or any of their Subsidiaries) managed by Cinven Limited of Warwick Court, 5 Paternoster Square, London EC4M 7AG.

Original Obligor means an Original Borrower or an Original Guarantor.

Parallel Priority Agreement means a priority agreement to be entered into between, amongst others, the Facility Agent, the Security Agent, the Senior Unsecured Note Issuer, the Senior Unsecured Note Trustee, the Parent and certain members of the Group relating to the subordination of the Proceeds Loans and the Senior Unsecured Notes Guarantees, in agreed form.

Participating Member State means a member state of the European Communities that adopts or has adopted the euro as its lawful currency under the legislation of the European Community for Economic Monetary Union.

Party means a party to this Agreement.

Permitted Acquisition means any acquisition for cash of a Controlling Interest or a Further Interest in a limited liability company (or, if the acquisition is made by a limited liability company whose sole purpose is to make the acquisition, any existing business carried on as a going concern) where:

- (a) the acquired company (or any such business) and each Subsidiary of it is incorporated or established in, and whose principal business is carried out in, the European Union;
- (b) the acquired company (or any such business) and each Subsidiary of it carries on a similar business or is a business similar to one currently undertaken by a member of the Group which includes the provision of television, telephone and internet communications and services by whatever means;
- (c) the Base Currency Equivalent of the consideration (including associated costs and expenses) and any Financial Indebtedness (including off balance sheet liabilities and any contingent liabilities) remaining in the acquired company (or any such business) or any Subsidiary of it at the date of acquisition when aggregated with the consideration (including associated costs and expenses) for any other Permitted Acquisition and any Financial Indebtedness remaining in

any such acquired companies (or Subsidiaries) or businesses at the time of acquisition (the **Total Purchase Price**) does not exceed:

- (i) in any annual Accounting Period of the Parent, the Relevant Basket Amount; or
 - (ii) at any time during the term of this Agreement, the Relevant Basket Amount;
- (d) the Total Purchase Price is funded using the proceeds of any Capex/Restructuring Loan, any Retained Excess Cashflow, any Permitted Equity Investment into the Group after the Casema Closing Date, any Reinvestment Proceeds and/or, on and after a Qualifying IPO, the proceeds of any disposal of fixed assets in accordance with Clause 22.6(b)(xi)(B) (Disposals);
- (e) no Event of Default is outstanding at the time of or will result from the acquisition;
- (f) the acquired company (or any such business) had or would have had (taking into account any reasonable pro forma cost savings and synergies which the directors of the Parent reasonably anticipate could have been achieved had the acquired company (or any such business) been a member of the Group during such period) positive EBITDA in the immediately preceding financial year or, if negative, such negative EBITDA when aggregated with the negative EBITDA (calculated in accordance with this paragraph (f)) of any other company or business with negative EBITDA which has been acquired by a member of the Group in the same financial year shall not exceed €5,000,000;
- (g) the Parent demonstrates (on a pro forma basis taking into account the proposed acquisition and any pro forma cost savings reasonably anticipated by the directors of the Parent as a result of the acquisition) that on the date of the acquisition and on each of the next four Test Dates it will be in compliance with each of the financial covenants set out in Clause 21 (Financial Covenants);
- (h) in relation to any acquisition where the Total Purchase Price exceeds €50,000,000, the Facility Agent has received written confirmation from the Chief Financial Officer and another director of the Parent that customary due diligence in connection with that acquisition has been undertaken and copies of the relevant due diligence reports are provided to the Facility Agent for the Finance Parties if permitted by the relevant report providers (and the Parent must use reasonable efforts to obtain such permission);
- (i) if on the Test Date immediately prior to the date of the proposed acquisition, the ratio of Consolidated Total Net Borrowings (including off balance sheet liabilities and any contingent liabilities of the company or business acquired) to Adjusted Consolidated EBITDA was greater than 5.5:1 and the Total Purchase Price for the proposed acquisition exceeds €10,000,000, the Parent must ensure that, immediately after the acquisition, the ratio of Consolidated Total Net Borrowings to Adjusted Consolidated EBITDA (pro forma for the acquisition taking into account any reasonable pro forma cost savings and synergies which the directors of the Parent reasonably anticipate could be achieved as a result of the acquisition) is less than the required covenant level at that time minus 0.50 (e.g. if the covenant level at that time is 7.5x, after the acquisition, the actual ratio must be less than 7.0x);
- (j) if the acquired company or the company which acquires the business will, after the acquisition, be a Material Subsidiary, the Parent shall procure that, subject to the Agreed Security Principles, Security Interests are granted over all of the shares or assets of the acquired company or business (and of any material Subsidiary of it which shall be determined on the same basis as set out in the definition of “Material Subsidiary”) as soon as practicable after and in any event within 45 days after its acquisition in favour of (and in form and substance satisfactory to) the Security Agent by the acquired company and/or its Subsidiary or Subsidiaries (if any) and/or by the member of the Group that is the acquired company’s Holding Company; and
- (k) the acquired company (or any such business) does not have any material contingent liabilities.

Permitted Capital Expenditure means any Capital Expenditure which complies with the provisions of Clause 21.4 (Maximum Capital Expenditure).

Permitted Equity Investment means the proceeds of any issue of share capital by the Parent or any Shareholder Loan provided that such amounts are subordinated pursuant to the terms of the Priority Agreement.

Permitted Facility Change means a Facility Change which does not have the effect of increasing the ratio of Consolidated Total Net Borrowings to Adjusted Consolidated EBITDA under the Facilities (pro forma for the proposed Facility Change) above the level of the initial ratio of Consolidated Total Net Borrowings to Adjusted Consolidated EBITDA as at the Casema Closing Date and as shown in the Base Case Model. For this purpose, Consolidated Total Net Borrowings shall include the Facilities only and exclude the Mezzanine Facility.

Permitted Joint Venture has the meaning given to it in Clause 22.26 (Joint Ventures/Associates/Minority Interests).

Permitted Payments means the payment of:

- (a) fees to the Original Investors (or their Affiliates or their fund managers or Warburg Pincus LLC and/or Cinven Limited) in respect of the corporate advisory services provided in connection with the Casema Acquisition and the Kabelcom Acquisition in an aggregate amount of up to the Relevant Basket Amount;
- (b) provided that no Default is outstanding at the time such payment is made, fees to the Investors (or their Affiliates) in respect of corporate advisory services provided in connection with any Permitted Acquisitions or Permitted Disposals in an aggregate amount of up to the Relevant Basket Amount per annum;
- (c) provided that no Default is outstanding at the time such payment is made, administrative costs and expenses to the Original Investors (or their Affiliates) in an aggregate amount of up to €500,000 per annum;
- (d) fees or other compensation or commissions in an aggregate amount of up to €200,000 per annum to any non-executive director of any member of the Group;
- (e) monitoring fees of the Investors or their fund managers or Warburg Pincus LLC and/or Cinven Limited in an aggregate amount of up to the Relevant Basket Amount per annum;
- (f) an amount to Zesko B.V. to enable Zesko B.V. to pay taxes that are formally due by Zesko B.V. but are allocable to the Group and are due by Zesko B.V. as a result of the Group being included in a fiscal unity with Zesko B.V.;
- (g) dividends by the Parent or the payment of any interest on, or the repayment of any principal amount of, any Shareholder Loan provided that:
 - (i) the ratio of Consolidated Total Net Borrowings to Adjusted Consolidated EBITDA would have been less than 4.5:1 for the most recent Measurement Period in respect of which a Compliance Certificate has been delivered in accordance with Clause 20.3 (Compliance Certificate) but assuming for this purpose that such payment had occurred on the last day of that Measurement Period;
 - (ii) no Default is outstanding at the time such payment is made; and
 - (iii) if such payment is made:
 - (A) prior to a Qualifying IPO, such payment is made out of Retained Excess Cashflow; and

- (B) on or after a Qualifying IPO and if the ratio of Consolidated Total Net Borrowings to Adjusted Consolidated EBITDA would have been greater than 3.5:1 for the most recent Measurement Period in respect of which a Compliance Certificate has been delivered in accordance with Clause 20.3 (Compliance Certificate) but assuming for this purpose that such payment had occurred on the last day of that Measurement Period, such payment (when aggregated with each other such payment made after the date of the Qualifying IPO) must not exceed 75% of Consolidated Net Income of the Parent for the period (taken as one accounting period) from the beginning of the financial year in which the Qualifying IPO has completed to the end of the Parent's most recently ended quarterly Accounting Period. For the avoidance of doubt, on or after a Qualifying IPO and if the ratio of Consolidated Total Net Borrowings to Adjusted Consolidated EBITDA would have been equal to or less than 3.5:1 for the most recent Measurement Period in respect of which a Compliance Certificate has been delivered in accordance with Clause 20.3 (Compliance Certificate) but assuming for this purpose that such payment had occurred on the last day of that Measurement Period, no limitation shall apply under this paragraph (B) to the amount of such payment; and
- (h) any Permitted Note Payment (as defined in the Parallel Priority Agreement) to the extent permitted under the Parallel Priority Agreement.

Permitted Receivables Financing means any receivables factoring facility entered into by one or more members of the Group pursuant to which such members of the Group either agree to sell (or otherwise dispose of) their trade receivables to a factoring company or to grant Security Interests over such trade receivables in favour of such factoring company, provided that, in each case:

- (a) the Applicable Receivable Financing Payment received from the factoring company in respect of such receivables factoring facility is applied towards prepayment of the Credits in accordance with Clause 10.8 (Mandatory prepayment—securitisation and receivables financing);
- (b) the receivables factoring facility may not contain any financial covenants relating to any member of the Group other than any financial covenant which relates to the total equity of the Group as a percentage of the aggregate of the total equity of the Group plus the net debt of the Group or to the net worth of the relevant member of the Group as a percentage of the total assets of the Group;
- (c) the factoring company shall not have any recourse to any member of the Group other than:
 - (i) recourse to any Security Interests created over the trade receivables which have been factored under the receivables factoring facility; and/or
 - (ii) in respect of any fees, costs or expenses payable in respect of the receivables factoring facility;
- (d) such factoring facility is off balance sheet in accordance with the relevant Accounting Standards as applicable at the date such factoring facility is entered into;
- (e) the discount rate for such factoring is on normal, commercial and arm's length terms; and
- (f) the principal maximum overall aggregate amount of commitments or limits which may be utilised at any one time pursuant to any such Permitted Receivables Financing (together with the aggregate outstanding principal amount of any Permitted Securitisation) does not exceed the Relevant Basket Amount at any time.

Permitted Reorganisation means:

- (a) the ongoing solvent liquidation of EducatiefNet B.V. and Mediakabel B.V.;

- (b) a reorganisation, liquidation or legal merger on a solvent basis of a member of the Group (other than any member of the Newco Group or a Borrower) where:
 - (i) no Event of Default is then outstanding;
 - (ii) all of the assets of that member of the Group remain within the Group and the value or percentage of any minority interest in any member of the Group held by any person which is not a member of the Group is not increased;
 - (iii) the Lenders will enjoy (in the opinion of the Facility Agent (acting reasonably) and supported by any professional opinions and reports requested by it) the same or equivalent guarantees from it (or its successor) and the same or equivalent security over the same assets and over the shares in it (or in each case its successor) after the reorganisation or liquidation or legal merger as the Lenders enjoyed before the reorganisation, liquidation or legal merger; and
 - (iv) in the case of a legal merger of a member of the Group (the **disappearing company**) into another member of the Group (the **surviving company**), to the extent that the assets of the surviving company are subject to the Security Interests granted under the Security Documents prior to that legal merger and to the extent that the assets of the disappearing company are not automatically secured by the terms of the Security Documents following such legal merger, the surviving company shall grant equivalent Security Interests over the assets of the disappearing company to the Security Interests granted over its own assets; or
- (c) any other reorganisation, liquidation or legal merger of one or more members of the Group approved by the Majority Lenders.

Permitted Sale and Leaseback means any disposal of any asset(s) of any member (or members) of the Group on terms where it is or may be or may be required to be leased to or re-acquired or acquired by a member of the Group or any of its related entities provided that the Base Currency Equivalent of the outstanding principal amount of any Permitted Sale and Leaseback (together with the aggregate capital value of all finance leases entered into by members of the Group which are permitted pursuant to Clause 22.7(b)(iv) (Financial Indebtedness)) does not exceed an amount equal to the Relevant Basket Amount at any time.

Permitted Securitisation means any transaction or series of transactions where the Financial Indebtedness is incurred by a member of the Group in connection with a securitisation of receivables provided that:

- (a) the recourse of the provider(s) of that Financial Indebtedness is limited to:
 - (i) those receivables;
 - (ii) if those receivables comprise all or substantially all of the business of that member of the Group, the shareholding or other interest of any other member(s) of the Group in it; and
- (b) the aggregate outstanding principal amount of any such Permitted Securitisation (together with the principal maximum overall aggregate amount of commitments or limits which may be utilised at any one time pursuant to any such Permitted Receivables Financing) does not exceed an amount equal to the Relevant Basket Amount at any time.

Priority Agreement means the priority agreement dated on or about the date of this Agreement between, among others, the Parties, Zesko B.V., any Intercompany Creditors, any Intercompany Debtors and certain other creditors of the Group.

Proceeds Loan means each loan from the Senior Unsecured Note Issuer to the Parent funded in cash by the proceeds (net, if applicable, of up-front fees, any original issue discount and costs and expenses) of any issue of the Senior Unsecured Notes, provided that such loan is subordinated pursuant to the Parallel Priority Agreement and the amount (net, if applicable, of up-front fees, any original issue discount and costs and

expenses not exceeding the amount of fees, discounts, commissions and costs and expenses payable in connection with the relevant Senior Unsecured Notes) of such loan is applied in accordance with Clause 22.37 (Proceeds Loans).

Pro Rata Share means the proportion which a Lender's Commitment under a Facility bears to all the Commitments under that Facility.

Qualifying IPO means a listing (which does not constitute a Change of Control) of all or part of the share capital of the Parent or any Holding Company of the Parent (other than the Original Investors) on any internationally recognised stock or investment exchange which is the principal such exchange in its jurisdiction where:

- (a) no Default is outstanding at the time of such listing (or would occur as a result thereof);
- (b) the proceeds of such listing (or the required percentage thereof) are applied in prepayment of the Facilities in accordance with Clause 10.3 (Mandatory prepayment—Flotation); and
- (c) the ratio of Consolidated Total Net Borrowings to Adjusted Consolidated EBITDA would have been 4.5:1 or less for the most recent Measurement Period in respect of which a Compliance Certificate has been delivered in accordance with Clause 20.3 (Compliance Certificate), assuming for this purpose that any mandatory prepayment required from the Net Flotation Proceeds of such listing pursuant to Clause 10.3 (Mandatory prepayment—Flotation) (together with any voluntary prepayment of Credits made at the same time as any such mandatory prepayment out of Net Flotation Proceeds of such listing which are not required to be applied in mandatory prepayment) had occurred on the last day of that Measurement Period.

Rate Fixing Day means the second TARGET Day before the first day of an Interest Period or such other day as the Facility Agent determines is generally treated as the rate fixing day in the relevant currency by market practice in the relevant interbank market.

Reconciliation Statement has the meaning given to it in Clause 20.2 (Form and scope of financial statements).

Reference Banks means the principal office in Amsterdam of ABN AMRO Bank N.V. and ING Bank N.V. and any other bank or financial institution appointed as such by the Facility Agent under this Agreement.

Reinvestment Proceeds means any Net Disposal Proceeds which are permitted by Clause 10.4(c)(ii) (Mandatory prepayment—disposals) not to be applied in prepayment of the Facilities.

Relevant Basket Amount means, in respect of any applicable definition or Clause in this Agreement, the amount specified in the relevant column of the table set out in Schedule 15 (Baskets and Thresholds) opposite the reference to that definition or Clause. For this purpose the relevant column is:

- (a) prior to a Qualifying IPO, Column 1; and
- (b) on and after a Qualifying IPO, Column 2.

Repayment Instalment means each scheduled instalment for repayment of a Term Loan under this Agreement.

Repeating Representations means at any time the representations and warranties which are then made or deemed to be repeated under Clause 19.31 (Times for making representations and warranties).

Request means a request for a Credit, substantially in the form of Schedule 3 (Form of Request).

Reservations means:

- (a) the principle that equitable remedies are remedies which may be granted or refused at the discretion of the court, the limitation of enforcement by laws relating to bankruptcy, insolvency, liquidation, reorganisation, court schemes, moratoria, administration and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under applicable limitation laws (including the Limitation Acts), the possibility that an undertaking to assume liability for or to indemnify a person against non-payment of stamp duty may be void, defences of set-off or counterclaim; and
- (c) any other general principles which are set out as qualifications as to matters of law in the legal opinions delivered to the Facility Agent under Schedule 2 (Conditions Precedent Documents).

Restructuring Costs means costs and expenses relating to the proposed restructuring of the Group including, without limitation, relocation, redundancy, corporate reorganisation and contract termination costs and expenses.

Restructuring Loan means a Loan under the Capex/Restructuring Facility for the purposes of financing Restructuring Costs.

Retained Excess Cashflow means Excess Cashflow generated by the Group in any completed annual Accounting Period (together with any unspent Retained Excess Cashflow from a previous annual Accounting Period) after deducting:

- (a) any payment required by Clause 10.7 (Mandatory prepayment—Excess Cashflow); and
- (b) any amounts which are used by any member of the Group for any purpose which “Retained Excess Cashflow” is expressly permitted to be used under this Agreement.

Revolving Credit Commitment means:

- (a) for an Original Lender, the amount set opposite its name in Part 2 of Schedule 1 (Original Parties) under the heading **Revolving Credit Commitments** and the amount of any other Revolving Credit Commitment it acquires; and
- (b) for any other Lender, the amount of any Revolving Credit Commitment it acquires, to the extent not cancelled, transferred or reduced under this Agreement.

Revolving Credit Facility means the revolving credit facility referred to in Clause 2.9 (Revolving Credit Facility).

Revolving Credit Loan means a Loan under the Revolving Credit Facility.

Revolving Credit Utilisation means a Revolving Credit Loan or a Letter of Credit issued by way of a utilisation of the Revolving Credit Facility.

Rollover Loan means one or more Loans under the Revolving Credit Facility:

- (a) to be made on the same day that a maturing Loan under that Facility is due to be repaid or a demand by the Agent pursuant to a Letter of Credit is due to be met;
- (b) the aggregate amount of which is equal to or less than the maturing Loan or the demand under that Letter of Credit;
- (c) in the same currency as the maturing Loan or the demand under that Letter of Credit; and
- (d) to be made to the same Borrower for the purpose of refinancing the maturing Loan or satisfying the demand under the relevant Letter of Credit.

S&P means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. or any successor to its rating business.

Screen Rate means the percentage rate per annum determined by the Banking Federation of the European Union for euro and Interest Period displayed on the appropriate page of the Telerate screen selected by the Facility Agent. If the relevant page is replaced or the service ceases to be available, the Facility Agent (after consultation with the Parent and the Lenders) may specify another page or service displaying the appropriate rate.

Second Amendment Agreement means the second amendment agreement to this Agreement dated on or about 16 April 2010.

Security Document means:

- (a) each document referred to in Schedule 6 (Security Documents and Guarantors) or entered or required to be entered into under Clause 22.28 (Security); and
- (b) any other document evidencing or creating any guarantee or security over any asset of any Obligor to secure any obligation of any Obligor to a Finance Party under the Senior Finance Documents (including, without limitation, any additional security documents entered into pursuant to paragraph 4 of Part 4 of Schedule 2 and paragraph 3 of Part 5 of Schedule 2).

Security Interest means any mortgage, pledge, lien, charge (fixed or floating), assignment, hypothecation, set-off or trust arrangement for the purpose of creating security, reservation of title or security interest or any other agreement or arrangement having a substantially similar effect.

Senior Discharge Date has the meaning given to it in the Priority Agreement.

Senior Finance Document means:

- (a) this Agreement;
- (b) a Fee Letter;
- (c) an Accession Agreement;
- (d) a Transfer Certificate;
- (e) an Ancillary Facility Document;
- (f) the Hedging Letter;
- (g) a Hedging Document;
- (h) a Security Document;
- (i) the Priority Agreement;
- (j) a Compliance Certificate;
- (k) a Request;
- (l) a Letter of Credit;
- (m) the Parallel Priority Agreement;
- (n) the Second Amendment Agreement;
- (o) a Facility E Commitment Letter;

- (p) an Accession Document; or
- (q) any other document or agreement designated as such by the Facility Agent and the Parent.

Senior Secured Note Documents means the Senior Secured Note Indentures, the Senior Secured Notes, any other document evidencing liabilities of any member of the Group to any creditor in connection with the issue of the Senior Secured Notes and any security documents in respect of the Senior Secured Notes.

Senior Secured Note Indenture means an indenture governing the issuance of any Senior Secured Notes.

Senior Secured Note Major Terms means those terms set out in Schedule 19 (Senior Secured Note Major Terms)

Senior Secured Notes means any debt securities on terms complying with the Senior Secured Note Major Terms issued by the Facility E Lender after the Effective Date the proceeds of which (net, if applicable, of up-front fees, original issue discounts, underwriting commissions and discounts and costs and expenses related to the issuance of such debt securities) are utilised to fund Facility E Loans.

Senior Secured Note Trustee means a trustee for holders of the Senior Secured Notes.

Senior Unsecured Note Documents means the Senior Unsecured Note Indentures, the Senior Unsecured Notes, the Senior Unsecured Note Guarantees, any other document evidencing liabilities of any member of the Group to any creditor in connection with the issue of the Senior Unsecured Notes, and any security documents in respect of the Senior Unsecured Notes.

Senior Unsecured Note Guarantees means the guarantees granted by the Guarantors in respect of the Senior Unsecured Notes under the Senior Unsecured Note Indentures, provided that such guarantees are subordinated pursuant to the Parallel Priority Agreement.

Senior Unsecured Note Indenture means an indenture governing the issuance of any Senior Unsecured Notes.

Senior Unsecured Note Issuer means Ziggo Bond Company B.V. (formerly known as Zesko Bond Company B.V.), a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, having its corporate seat in Amsterdam, with trade register number 01180301.

Senior Unsecured Note Major Terms means those terms set out in Schedule 18 (Senior Unsecured Note Major Terms).

Senior Unsecured Note Trustee means the trustee for holders of the Senior Unsecured Notes.

Senior Unsecured Notes means the Initial Senior Unsecured Notes and the Additional Senior Unsecured Notes.

Shareholder Loan means any loan made by any Investor or any of their Affiliates or any Holding Company of the Parent to any member of the Group other than a Proceeds Loan.

Sterling or £ means the lawful currency for the time being of the United Kingdom.

Subsidiary means:

- (a) an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership and **control** for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise; or

- (b) an entity treated as a subsidiary in the financial statements of any person pursuant to the relevant Accounting Standards.

Syndication Date means the date on which the Facility Agent notifies the Parent that primary syndication of the Facilities has been or is to be completed.

TARGET Day means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system is open for the settlement of payments in euro.

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any related penalty or interest).

Tax Credit means a credit against any Tax or any relief or remission for or rebate of Tax (or its repayment).

Tax Deduction means a deduction or withholding for or on account of Tax from a payment under any Senior Finance Document.

Tax Payment means a payment made by an Obligor to a Finance Party in any way relating to a Tax Deduction or under any indemnity given by that Obligor in respect of Tax under any Senior Finance Document.

Telecommunications, Cable and Broadcasting Laws means the Dutch Telecommunications Act 1989 (*Telecommunicatiewet*) and all other laws, statutes, regulations and judgments relating to broadcasting or telecommunications or cable television or broadcasting applicable to any member of the Group, and/or the business carried on by, any member of the Group (for the avoidance of doubt, not including laws, statutes, regulations or judgments relating solely to consumer credit, data protection or intellectual property).

Term Loan means a Casema Term Loan, a Kabelcom Term Loan or a Facility E Loan.

Test Date has the meaning given to it in Clause 21.5 (Financial Covenant Definitions).

Threshold Test has the meaning given to it in Clause 22.27 (Guarantor Cover).

Total Commitments means the aggregate of the Commitments of all the Lenders.

Total Capex/Restructuring Commitments means the aggregate of the Capex/Restructuring Commitments of all the Lenders.

Total Casema Term Loan Commitments means the aggregate of the Casema Term Loan Commitments of all the Lenders, or when designated **A, B, C** or **D**, the aggregate of the Casema Term Loan Commitments of all the Lenders bearing that designation.

Total Kabelcom Term Loan Commitments means the aggregate of the Kabelcom Term Loan Commitments of all the Lenders, or when designated **A, B, C** or **D**, the aggregate of the Kabelcom Term Loan Commitments of all the Lenders bearing that designation.

Total Facility D Commitments means the aggregate of the Total Casema D Term Loan Commitments and the Total Kabelcom D Term Loan Commitments.

Total Revolving Credit Commitments means the aggregate of the Revolving Credit Commitments of all the Lenders.

Transaction Documents means:

- (a) the Senior Finance Documents;
- (b) the Investor Documents;
- (c) the Casema Acquisition Documents; and

- (d) the Kabelcom Acquisition Documents.

Transfer Certificate means:

- (a) for a transfer by assignment, release and accession, a certificate substantially in the form of Part 1 of Schedule 5 (Form of Transfer Certificates); and
- (b) for a transfer by novation, a certificate substantially in the form of Part 2 of Schedule 5 (Form of Transfer Certificates),

in each case, with such amendments as the Facility Agent may approve or reasonably require or any other form agreed between the Facility Agent and the Parent.

Transfer Date means, for a Transfer Certificate, the later of:

- (a) the proposed Transfer Date specified in that Transfer Certificate; and
- (b) the date on which the Facility Agent executes that Transfer Certificate.

Treasury Transaction means any derivative transaction entered into in connection with protection against or to benefit from fluctuations in any rate, price, index or credit rating.

US Dollars or **\$** means the lawful currency for the time being of the United States of America.

Utilisation Date means each date on which a Facility is utilised by the drawing of a Loan or the issue of a Letter of Credit.

1.2 Construction

- (a) In this Agreement, unless the contrary intention appears, a reference to:
- (i) a document being in the **agreed form** means that the document is in a form previously agreed in writing by or on behalf of the Parent and the Facility Agent or if not so agreed is in the form specified by the Facility Agent (acting reasonably);
 - (ii) an **amendment** includes an amendment, supplement, novation, re-enactment, replacement, restatement or variation including an amendment providing for an increase in a Facility or a new Facility (including any additional tranche or sub-tranche pursuant to a Facility Change) and **amend** will be construed accordingly;
 - (iii) **associate** has the meaning given to it in IFRS;
 - (iv) **assets** includes businesses, undertakings, securities, properties, revenues or rights of every description and whether present or future, actual or contingent;
 - (v) an **authorisation** includes an authorisation, consent, approval, resolution, permit, licence, exemption, filing, registration or notarisation;
 - (vi) **control** means the power to direct the management and policies of the Parent whether by virtue of ownership of share capital, contract or otherwise;
 - (vii) a **disposal** means a sale, transfer, assignment, grant, lease, licence, declaration of trust or other disposal, whether voluntary or involuntary and whether pursuant to a single transaction or a series of transactions, and **dispose** will be construed accordingly;
 - (viii) a **guarantee** means (other than in Clause 18 (Guarantee and indemnity)) any guarantee, bond, letter of credit, indemnity or similar assurance against financial loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person, where, in

each case, that obligation is assumed in order to maintain or assist the ability of that person to meet any of its indebtedness;

- (ix) **incorporation** includes the formation or establishment of a partnership or any other person and **incorporate** will be construed accordingly;
 - (x) **indebtedness** includes any obligation (whether incurred as principal or as surety and whether present or future, actual or contingent) for the payment or repayment of money;
 - (xi) **joint venture** has the meaning given to it in IFRS;
 - (xii) a **jurisdiction of incorporation** includes any jurisdiction under the laws of which a person is incorporated;
 - (xiii) **know your customer requirements** are the identification checks that a Finance Party requests in order to meet its obligations under any applicable law or regulation to identify a person who is (or is to become) its customer;
 - (xiv) a **person** includes any individual, company, corporation, unincorporated association or body (including a partnership, trust, fund, joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality;
 - (xv) a **regulation** includes any regulation, rule, order, official directive, request or guideline (in each case, whether or not having the force of law but, if not having the force of law, being of a type with which any person to which it applies is accustomed to comply) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (xvi) a currency is a reference to the lawful currency for the time being of the relevant country;
 - (xvii) a Default being **outstanding** means that it has not been remedied or expressly waived in writing in accordance with Clause 29 (Amendments and Waivers);
 - (xviii) a provision of law is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;
 - (xix) a Clause or a Schedule is a reference to a clause in, or a schedule to, this Agreement;
 - (xx) a Party or any other person includes its successors in title, permitted assigns and permitted transferees;
 - (xxi) a Senior Finance Document or other document includes (without prejudice to any prohibition on amendments) all amendments (however fundamental) to that Senior Finance Document or other document, including any amendment providing for any increase in the amount of a Facility or any additional facility; and
 - (xxii) a time of day is a reference to London time.
- (b) Unless the contrary intention appears, a reference to a **month** or **months** is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month or the calendar month in which it is to end, except that:
- (i) if the numerically corresponding day is not a Business Day, the period will end on the next Business Day in that month (if there is one) or the preceding Business Day (if there is not);
 - (ii) if there is no numerically corresponding day in that month, that period will end on the last Business Day in that month; and

- (iii) notwithstanding sub-paragraph (i) above, a period which commences on the last Business Day of a month will end on the last Business Day in the next month or the calendar month in which it is to end, as appropriate.
- (c) Unless expressly provided to the contrary in a Senior Finance Document, a person who is not a party to a Senior Finance Document may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 and, notwithstanding any term of any Senior Finance Document, no consent of any third party is required for any amendment (including any release or compromise of any liability) or termination of that Senior Finance Document.
- (d) Unless the contrary intention appears:
 - (i) a reference to a Party will not include that party if it has ceased to be a party under this Agreement;
 - (ii) a word or expression used in any other Senior Finance Document or in any notice given in connection with any Senior Finance Document has the same meaning in that Senior Finance Document or notice as in this Agreement;
 - (iii) if there is an inconsistency between this Agreement and another Senior Finance Document, this Agreement will prevail unless that other Senior Finance Document is the Priority Agreement or the Parallel Priority Agreement, in which case the Priority Agreement or the Parallel Priority Agreement (as the case may be) will prevail;
 - (iv) any obligation of an Obligor under the Senior Finance Documents which is not a payment obligation remains in force for so long as any payment obligation of an Obligor is or may be or is capable of becoming outstanding under the Senior Finance Documents; and
 - (v) any obligation of an Obligor under the Senior Finance Documents includes an obligation on that Obligor not to contract or agree to do something or not to do something which would breach that first obligation unless such contract or agreement is conditional on the Senior Discharge Date or on the approval of the Lenders or the Majority Lenders (as required under this Agreement).
- (e) No part of this Agreement is intended to or shall create a registrable Security Interest.
- (f) The index to and headings in this Agreement do not affect its interpretation.
- (g) For the purposes of determining the Majority Lenders or the proportion of the Total Commitments or the Credits constituted by the Facility E Commitments or the Facility E Loans, the equivalent in the Base Currency of any amount of:
 - (i) the Facility E Lender's Commitment; or
 - (ii) any Facility E Loan,

denominated in a currency other than the Base Currency shall be converted into the Base Currency at the Agent's Spot Rate of Exchange specified in the Facility E Commitment Letter relating to that part of the Facility E Commitment or, as the case may be, that Loan.

1.3 Dutch terms

In this Agreement, where it relates to a Dutch entity, a reference to:

- (a) a **necessary action to authorise** where applicable, includes without limitation, any action required to comply with the Works Councils Act of the Netherlands (*Wet op de ondernemingsraden*);
- (b) **financial assistance** means any act contemplated by:

- (i) (for a *besloten vennootschap met beperkte aansprakelijkheid*) Article 2:207(c) of the Dutch Civil Code; or
- (ii) (for a *naamloze vennootschap*) Article 2:98(c) of the Dutch Civil Code;
- (c) a **Security Interest** includes any mortgage (*hypotheek*), pledge (*pandrecht*), retained pledge (*voorbehouden pandrecht*), retention of title arrangement (*eigendomsvoorbehoud*), privilege (*voorrecht*), right of retention (*recht van retentie*), right to reclaim goods (*recht van reclame*), and, in general, any right in rem (*beperkt recht*), created for the purpose of granting security (*goederenrechtelijk zekerheidsrecht*);
- (d) (i) a **winding-up, administration or dissolution** includes a Dutch entity being declared bankrupt (*failliet verklaard*) or dissolved (*ontbonden*);
- (ii) a **moratorium** includes *surseance van betaling* and **granted a moratorium** includes *surseance verleend*;
- (iii) any step or procedure taken in connection with insolvency proceedings includes a Dutch entity having filed a notice under Section 36 of the Tax Collection Act of the Netherlands (*Invorderingswet 1990*) or Section 60 of the Social Insurance Financing Act of the Netherlands (*Wet Financiering Sociale Verzekeringen*) in conjunction with Section 36 of the Tax Collection Act of the Netherlands (*Invorderingswet 1990*);
- (e) a **trustee in bankruptcy** includes a *curator*;
- (f) an **administrator** includes a *bewindvoerder*;
- (g) an **attachment** includes a *beslag*;
- (h) **gross negligence** means *grove schuld*;
- (i) **negligence** means *schuld*;
- (j) **wilful misconduct** means *opzet*; and
- (k) a **legal merger** means a *fusie*.

2. FACILITIES

2.1 Casema A Term Loan Facility

Subject to the terms of this Agreement, the Lenders make available to Casema Bidco a term loan facility in an aggregate amount equal to the Total Casema A Term Loan Commitments.

2.2 Casema B Term Loan Facility

Subject to the terms of this Agreement, the Lenders make available to Casema Bidco a term loan facility in an aggregate amount equal to the Total Casema B Term Loan Commitments. The Casema B Term Loan Facility will be split into two sub-facilities as follows:

- (a) a term loan facility designated the “B1” term loan facility in an aggregate amount of up to €411,333,020; and
- (b) a term loan facility designated the “B2” term loan facility in an aggregate amount of up to €213,666,980.

2.3 Casema C Term Loan Facility

Subject to the terms of this Agreement, the Lenders make available to Casema Bidco a term loan facility in an aggregate amount equal to the Total Casema C Term Loan Commitments.

2.4 Casema D Term Loan Facility

Subject to the terms of this Agreement, the Lenders make available to Casema Bidco a term loan facility in an aggregate amount equal to the Total Casema D Term Loan Commitments.

2.5 Kabelcom A Term Loan Facility

Subject to the terms of this Agreement, the Lenders make available to Kabelcom Holdco, Kabelcom Bidco and (subject to the terms of this Agreement) any other member of the Kabelcom Group which becomes a Borrower a term loan facility in an aggregate amount equal to the Total Kabelcom A Term Loan Commitments.

2.6 Kabelcom B Term Loan Facility

Subject to the terms of this Agreement, the Lenders make available to Kabelcom Holdco, Kabelcom Bidco and (subject to the terms of this Agreement) any other member of the Kabelcom Group which becomes a Borrower a term loan facility in an aggregate amount equal to the Total Kabelcom B Term Loan Commitments.

2.7 Kabelcom C Term Loan Facility

Subject to the terms of this Agreement, the Lenders make available to Kabelcom Holdco and Kabelcom Bidco a term loan facility in an aggregate amount equal to the Total Kabelcom C Term Loan Commitments.

2.8 Kabelcom D Term Loan Facility

Subject to the terms of this Agreement, the Lenders make available to Kabelcom Holdco and Kabelcom Bidco a term loan facility in an aggregate amount equal to the Total Kabelcom D Term Loan Commitments.

2.9 Revolving Credit Facility

Subject to the terms of this Agreement, the Lenders make available to any member of the Group (other than any member of the Newco Group) which becomes a Borrower a revolving credit facility in an aggregate amount equal to the Total Revolving Credit Commitments.

2.10 Capex/Restructuring Facility

- (a) Subject to the terms of this Agreement, the Lenders make available to any member of the Group (other than the Parent or Kabelcom Holdco) which becomes a Borrower a term loan facility in an aggregate amount equal to the Total Capex/Restructuring Commitments provided that the maximum aggregate outstanding principal amount of Capex/Restructuring Loans which are used for.
 - (i) any of the purposes set out in paragraphs (a) and (b) of Clause 3.3 (Capex/Restructuring Loans) may not exceed €200,000,000 at any time; and
 - (ii) the purposes of paying Restructuring Costs may not exceed €50,000,000 (if only the Casema Acquisition has completed) or €100,000,000 (if both the Casema Acquisition and the Kabelcom Acquisition have completed) at any time.
- (b) An extended capex/restructuring facility may be made available to the same Borrowers which may borrow the Capex/Restructuring Facility, in accordance with Clause 31 (Permitted Extended Capex/Restructuring Facility).

2.11 Letters of Credit

The Revolving Credit Facility may also be utilised by way of Letters of Credit.

2.12 Ancillary Facilities

Subject to the terms of this Agreement, a Lender may also make available certain other bi-lateral facilities in place of all or part of its Revolving Credit Commitment or on a fronted basis.

2.13 Nature of a Finance Party's rights and obligations

Unless all the Finance Parties agree otherwise:

- (a) the obligations of a Finance Party under the Senior Finance Documents are several;
- (b) failure by a Finance Party to perform its obligations does not affect the obligations of any other Party under the Senior Finance Documents;
- (c) no Finance Party is responsible for the obligations of any other Finance Party under the Senior Finance Documents;
- (d) the rights of a Finance Party under the Senior Finance Documents are separate and independent rights;
- (e) a Finance Party may, except as otherwise stated in the Senior Finance Documents, separately enforce those rights; and
- (f) a debt arising under the Senior Finance Documents from an Obligor to a Finance Party is a separate and independent debt.

2.14 Sub-tranching of Kabelcom Term Loan Facilities

On or prior to the Kabelcom Closing, the Facility Agent may require that the Kabelcom A Term Loan Facility and/or the Kabelcom B Term Loan Facility be split into sub-facilities (similar to sub-facilities B1 and B2 under the Casema B Term Loan Facility) for the purposes of identifying one or more sub-facility which will be used by any member of the Kabelcom Group to refinance any existing Financial Indebtedness borrowed by that member of the Kabelcom Group. Each of the Parties to this Agreement, agrees that the Parent and the Facility Agent may (and each Party irrevocably authorises them to) make any changes to this Agreement necessary for the purposes of documenting such sub-facilities.

2.15 Facility E

- (a) As at the Effective Date, Facility E is an uncommitted term loan facility which may become committed in accordance with this Clause 2.15 and subject to the terms of this Agreement. The Parent may at any time or times after the Effective Date confirm that the Facility E Lender has agreed to commit a Facility E Tranche by delivering a Facility E Commitment Letter to the Facility Agent signed by the Parent and the Facility E Lender.
- (b) No Facility E Commitment Letter will be regarded as having been duly completed unless:
 - (i) it is in the form (or substantially in the form) set out in Schedule 17 (Facility E Commitment Letter) with such amendments as the Facility Agent and the Facility E Lender may agree;
 - (ii) it specifies the following information:
 - (A) the Borrower;
 - (B) the number of the tranche (commencing with "1") which is being committed;
 - (C) the principal amount being made available under that tranche and the currency in which it is to be made available (which may be euro, US Dollars or Sterling);
 - (D) the Final Maturity Date (which shall not be prior to 14 September 2016);

- (E) the Facility E Commitment Date and the Availability Period; and
 - (F) if the principal amount being made available under that tranche is in a currency other than euro, the Agent's Spot Rate of Exchange as at the date one Business Day before the date of the relevant Facility E Commitment Letter;
- (iii) in the case of the first Facility E Commitment Letter only, it is accompanied by a copy of the duly executed Facility E Voting Deed Poll; and
- (iv) it includes a confirmation from the Parent and the Facility E Lender that:
- (A) the Facility E Tranche will be funded using the proceeds of Senior Secured Notes to be issued by the Facility E Lender on the Utilisation Date of the Facility E Tranche and the principal amount of the Facility E Tranche is equal to the aggregate principal amount of such Senior Secured Notes; and
 - (B) the holders of the Senior Secured Notes have no recourse in relation to the Senior Secured Notes to any member of the Group other than as permitted under the Senior Secured Note Major Terms.
- (c) By countersigning the relevant Facility E Commitment Letter, the Facility E Lender agrees:
- (i) to commit to make available a term loan facility in an amount equal to the principal amount of the relevant Facility E Tranche set out in that Facility E Commitment Letter; and
 - (ii) as from the applicable Facility E Commitment Date:
 - (A) if the Facility E Lender has not previously signed a Facility E Commitment Letter, to become a Lender and to assume (and be bound by) the same obligations to each other Party and acquire the same rights against each other Party as it would have assumed or acquired had the Facility E Lender been an original party to the Senior Finance Documents with a Facility E Commitment equal to the relevant Facility E Tranche; and
 - (B) if the Facility E Lender has previously countersigned a Facility E Commitment Letter, to increase the Facility E Commitments of the Facility E Lender by the principal amount of the Facility E Tranche set out in the relevant Facility E Commitment Letter,

subject, in each case, to the terms and conditions specified in the relevant Facility E Commitment Letter.
- (d) Each Obligor irrevocably authorises the Parent to sign each Facility E Commitment Letter on its behalf and each Finance Party (other than the Facility E Lender) irrevocably authorises the Facility Agent to sign such Facility E Commitment Letter on its behalf.
- (e) A Facility E Commitment Letter must be delivered no later than the fifth Business Day prior to the Utilisation Date under the Facility E Tranche which is committed by that letter.
- (f) Upon receipt of a duly completed Facility E Commitment Letter, the Facility Agent shall inform the Lenders of such receipt and shall provide a copy of such letter to the Lenders.
- (g) The Facility E Lender must notify the Facility Agent and the Parent in writing promptly after the issuance of the underlying Senior Secured Notes the net proceeds of which are used to fund the relevant Facility E Loan of:
- (i) the interest rate (which may be on a fixed or floating basis) applicable to the relevant Facility E Loan. The interest rate applicable to that Facility E Loan must be the same as the interest rate applicable to the relevant underlying Senior Secured Notes, ignoring for this

purpose any incremental *de minimis* margin required under any applicable law or regulation in order to obtain or maintain a tax exempt status of the Facility E Lender; and

- (ii) the basis of any make-whole, call protection or other premium payable on a prepayment of the relevant Facility E Loan payable pursuant to Clause 10.22 (Facility E prepayment fees).
- (h) Any amendment or waiver relating to the rights or obligations of the Facility E Lender in its capacity as such (and not merely as a result of being a Lender or a Finance Party) including, without limitation, the provisions contained in Clause 23.19(c) (Acceleration), shall require, in addition to any consent under Clause 29.1 (Procedure), the consent of the Facility E Lender. Any amendment or waiver which constitutes a procedural or administrative change in connection with the provisions of this Agreement relating to Facility E may be made with the consent of the Parent and the Facility Agent.
- (i) If any Senior Secured Note Trustee Amount is payable by the Facility E Lender under the Senior Secured Note Documents, the Parent must pay an amount equal to the relevant Senior Secured Note Trustee Amount on the later of (a) the Business Day before that Senior Secured Note Trustee Amount is due under the Senior Secured Note Documents and (b) the date falling two Business Days after notification by the Facility E Lender of such payment. The Facility E Lender must provide reasonable evidence of the amount due under the Senior Secured Note Documents. For this purpose, **Senior Secured Note Trustee Amount** means any fees or costs and expenses of the Senior Secured Note Trustee (for the avoidance of doubt, including any amount payable to the Senior Secured Note Trustee personally by way of indemnity, remuneration or to reimburse it for expenses incurred) payable to the Senior Secured Note Trustee for its own account pursuant to the Senior Secured Note Documents, including all out-of-pocket costs and expenses (including, without limitation, fees and expenses of legal counsel) incurred by the Senior Secured Note Trustee in carrying out its duties or performing any service pursuant to the terms of the Senior Secured Note Documents.
- (j) If the Facility E Lender is required to pay any amount (other than principal or interest) under the Senior Secured Note Documents which is not matched by an obligation pursuant to any other provision of this Agreement of a member of the Group to pay a corresponding amount to the Facility E Lender (an **Additional Amount**), the Parent shall pay an amount equal to that Additional Amount in immediately available funds to the Facility E Lender, or such person or persons and such account or accounts as the Facility E Lender shall notify the Parent, on the later of (a) the Business Day before that Additional Amount is due under the Senior Secured Note Documents and (b) the date falling two Business Days after notification by the Facility E Lender of such payment. The Facility E Lender must provide reasonable evidence of the Additional Amount due under the Senior Secured Note Documents
- (k) Notwithstanding any other provision of this Agreement, if any amount (a **Contingent Amount**) is expressed to be payable under this Agreement to the Facility E Lender by reference to an amount (an **Underlying Amount**) due under the Senior Secured Note Documents, the Contingent Amount will only be payable to the extent that the provision pursuant to which the Underlying Amount is payable under the Senior Secured Note Documents is not in breach of the Senior Secured Note Major Terms.

3. PURPOSE

3.1 Casema Term Loans

- (a) The Casema Term Loans (other than the Casema A Term Loans and the Casema B1 Term Loans) may only be used in or towards:
 - (i) payment of the purchase price for the Casema Shares under the Casema Acquisition Documents (including any purchase price adjustments); and
 - (ii) payment of the Casema Acquisition Costs and Multikabel Refinancing Costs,in each case, to the extent contemplated in the Casema Funds Flow Statement.
- (b) The Casema A Term Loans and the Casema B1 Term Loans may only be used in or towards refinancing certain Financial Indebtedness of the Casema Group (including the payment of any

breakage costs, prepayment premiums and other fees, costs and expenses of such refinancing), to the extent contemplated in the Casema Funds Flow Statement.

3.2 Kabelcom Term Loans

The Kabelcom Term Loans may only be used in or towards:

- (a) payment of the purchase price for Kabelcom Shares and, if applicable, the Kabelcom Inter-Group Payables under the Kabelcom Acquisition Documents (including any purchase price adjustments);
- (b) payment of Kabelcom Acquisition Costs;
- (c) refinancing certain Financial Indebtedness of the Kabelcom Group (including the payment of any breakage costs, prepayment premiums and other fees, costs and expenses of such refinancing); and
- (d) financing the payment of a dividend or intercompany loan by any member of the Kabelcom Group to Kabelcom Bidco (provided that the amount of any such dividend or intercompany loan does not exceed the freely available distributable reserves of the relevant company making such payment),

in each case, to the extent contemplated in the Kabelcom Funds Flow Statement.

3.3 Capex/Restructuring Loans

Each Capex/Restructuring Loan may only be used to finance:

- (a) Capital Expenditure or to refinance Capital Expenditure;
- (b) Permitted Acquisitions, the payment of fees, costs and expenses incurred by the Group in connection with any Permitted Acquisition and the refinancing or acquisition of any existing Financial Indebtedness of the entities acquired (including the payment of any breakage costs, prepayment premiums and other fees, costs and expenses of such refinancing); and
- (c) the payment of Restructuring Costs.

3.4 Revolving Credit Loans

- (a) Each Revolving Credit Loan may only be used for the working capital requirements of the Group and other general corporate purposes (other than for any purpose for which the Capex/Restructuring Facility has been made available).
- (b) No Revolving Credit Loan may be used for payment of interest on any Casema Term Loan or any Kabelcom Term Loan, repayment or prepayment of any Casema Term Loan or Kabelcom Term Loan or the payment of the Casema Acquisition Costs or the Kabelcom Acquisition Costs.

3.5 Facility E Loans

Each Facility E Loan may only be used to finance any up-front fees, original issue discount fees and costs and expenses relating to that Loan (which may not exceed the fees, discounts, commissions and costs and expenses payable in connection with the Senior Secured Notes that funded that Facility E Loan) and the repayment or prepayment of outstanding Term Loans (other than Facility D Loans (subject as provided in Clause 10.15(b) (Application between Term Loan Facilities and Revolving Credit Facility))). The Borrower of the relevant Facility E Loan must be the same Borrower as the Borrower of the Loan(s) being repaid or prepaid. The relevant Borrower must specify in the Request for the relevant Facility E Loan, the Term Loans which it wishes to be prepaid or repaid with the net proceeds of such Facility E Loan (subject as provided in Clause 10.15(b) (Application between Term Loan Facilities and Revolving Credit Facility))). Any partial prepayment of Loans under a Facility with the proceeds of a Facility E Loan will be applied against any

outstanding Repayment Instalments under that Facility as set out in Clause 10.15(c) (Application between Term Loan Facilities and Revolving Credit Facility).

3.6 Letters of Credit

Each Letter of Credit may only be issued for the working capital requirements of the Group and other general corporate purposes.

3.7 No obligation to monitor

No Finance Party is bound to monitor or verify the utilisation of a Facility and no Finance Party will be responsible for, or for the consequences of, such utilisation.

4. CONDITIONS PRECEDENT

4.1 Conditions precedent documents

- (a) Subject to paragraph (b) below, the Lenders will only be obliged to comply with Clause 5.3 (Advance of Loan) in relation to any Loan if on or before the Utilisation Date for that Loan, the Facility Agent has notified the Parent and the Lenders that it has received all of the documents and evidence set out in Part 1 of Schedule 2 (Conditions Precedent Documents) in form and substance satisfactory to the Facility Agent. The Facility Agent must give this notification to the Parent and the Lenders promptly upon being so satisfied and promptly confirm the same to the notary on the Casema Closing Date under and as contemplated by the Casema Notary Letter.
- (b) In addition to paragraph (a) above, the Lenders will only be obliged to comply with Clause 5.3 (Advance of Loan) in relation to any Kabelcom Term Loan if on or before the Utilisation Date for that Kabelcom Term Loan, the Facility Agent has notified the Parent and the Lenders that it has received all of the documents and evidence set out in Part 2 of Schedule 2 (Conditions Precedent Documents) in form and substance satisfactory to the Facility Agent. The Facility Agent must give this notification to the Parent and the Lenders promptly upon being so satisfied and promptly confirm the same to the notary on the Kabelcom Closing Date under and as contemplated by the Kabelcom Notary Letter.
- (c) The Facility E Lender will only be obliged to (and will only be permitted to) fund the first Facility E Loan if on or before the Utilisation Date for the first Facility E Loan, the Facility Agent has notified the Parent and the Lenders that it has received all of the documents and evidence set out in Part 4 of Schedule 2 (Conditions Precedent Documents) in form and substance satisfactory to the Facility Agent (acting reasonably). The Facility Agent must give this notification to the Parent and the Lenders promptly upon being so satisfied.
- (d) The Facility E Lender will only be obliged to (and will only be permitted to) fund a Facility E Loan (other than the first Facility E Loan) if on or before the Utilisation Date for that Facility E Loan, the Facility Agent has notified the Parent and the Lenders that it has received all of the documents and evidence set out in Part 5 of Schedule 2 (Conditions Precedent Documents) in form and substance satisfactory to the Facility Agent (acting reasonably). The Facility Agent must give this notification to the Parent and the Lenders promptly upon being so satisfied.

4.2 Conditions precedent for Letters of Credit

- (a) The Issuing Bank is not obliged to issue or renew any Letter of Credit if as a result:
 - (i) the Issuing Bank would breach any law or regulation applicable to it;
 - (ii) a Lender's share in the outstanding Credits under a Facility would exceed its Commitment for that Facility; or
 - (iii) the outstanding Credits under the relevant Facility would exceed the Total Commitments for that Facility.

- (b) Subject to paragraph (c) below, the Issuing Bank is not obliged to issue any Letter of Credit if either on the date of the Request or the Utilisation Date:
 - (i) the Repeating Representations are not correct in all material respects; and/or
 - (ii) a Default is outstanding or would result from the issue of that Letter of Credit.
- (c) The obligations of the Issuing Bank to renew any Letter of Credit are subject to the further conditions precedent that no notice has been given under Clause 23.19 (Acceleration) to cancel or accelerate any of the Facilities.
- (d) The Issuing Bank has no duty to enquire of any person whether or not any of the conditions precedent set out in this Clause have been met. The Issuing Bank may assume that those conditions have been met unless it is expressly notified to the contrary by the Facility Agent. The Issuing Bank will have no liability to any person for issuing a Letter of Credit based on any such assumption.

4.3 Further conditions precedent

- (a) Subject to Clause 4.4 (Certain Funds Period) the obligations of each Lender to participate in any Loan (other than a Rollover Loan) are subject to the further conditions precedent that on both the date of the Request and the Utilisation Date for that Loan:
 - (i) the Repeating Representations are correct in all respects; and
 - (ii) no Default is outstanding or would result from the Loan.
- (b) The obligations of each Lender to participate in any Rollover Loan are subject to the further conditions precedent that no notice has been given under Clause 23.19 (Acceleration) to cancel or accelerate any of the Facilities.

4.4 Certain Funds Period

- (a) Notwithstanding any other term of this Agreement, during the period from the date of this Agreement until, in the case of the Casema Term Loans, the earlier of the end of the Availability Period for the Casema Term Loans and the Casema Closing Date (inclusive) (the **Casema Certain Funds Period**) no Lender is entitled to:
 - (i) refuse to participate in or make available any Casema Term Loan;
 - (ii) cancel a Casema Term Loan Commitment;
 - (iii) exercise any right of rescission, set-off or similar right or remedy which it may have in relation to any Casema Term Loan; or
 - (iv) accelerate or cause repayment of any Casema Term Loan or exercise any other rights under Clause 23.19 (Acceleration) in respect of any Casema Term Loan,
 except as provided below in this Clause.
- (b) Notwithstanding any other term of this Agreement, during the period from the date of this Agreement until, in the case of the Kabelcom Term Loans, the earlier of the end of the Availability Period for the Kabelcom Term Loans and the Kabelcom Closing Date (inclusive) (the **Kabelcom Certain Funds Period**) no Lender is entitled to:
 - (i) refuse to participate in or make available any Kabelcom Term Loan;
 - (ii) cancel a Kabelcom Term Loan Commitment;

- (iii) exercise any right of rescission, set-off or similar right or remedy which it may have in relation to any Kabelcom Term Loan; or
- (iv) accelerate or cause repayment of any Kabelcom Term Loan or exercise any other rights under Clause 23.19 (Acceleration) in respect of any Kabelcom Term Loan,

except as provided below in this Clause.

- (c) Paragraphs (a) and (b) do not apply if the entitlement to take any of the actions referred to in paragraphs (a) or (b) arises because:
 - (i) (A) in the case of paragraph (a) above, the provisions of Clause 4.1(a) (Conditions precedent documents); or
 - (B) in the case of paragraph (b) above, Clause 4.1(b) (Conditions precedent documents),
 has not been complied with;
 - (ii) the Major Representations are not correct in all material respects;
 - (iii) a Major Default is outstanding or would result from the making of such Casema Term Loans or Kabelcom Term Loans (as the case may be);
 - (iv) a Change of Control occurs; or
 - (v) it is unlawful for that Lender to perform any of its obligations under the Senior Finance Documents.
- (d) Immediately upon the expiry of the Casema Certain Funds Period or the Kabelcom Certain Funds Period (as the case may be) (each a **Certain Funds Period**) all such rights, remedies and entitlements shall be available to the Finance Parties in respect of the Casema Term Loans or the Kabelcom Term Loans, as the case may be, notwithstanding that they may not have been used or been available for use during the relevant Certain Funds Period.
- (e) For the avoidance of doubt, from the date of this Agreement until the completion of the Casema Acquisition, any misrepresentation, breach, prepayment event or default under the Existing Multikabel Facilities which results from the entering into of the commitment documents relating to the Facilities and the Mezzanine Facility, the Finance Documents, the Acquisition Documents or any of the transactions contemplated thereby will not be a Default under this Agreement provided that all Financial Indebtedness and all Security Interests under the Existing Multikabel Facilities are irrevocably discharged in full on the Casema Closing Date.

4.5 Maximum number

Unless the Facility Agent agrees, a Request may not be given if, as a result of making the utilisation requested, there would be more than 25 Term Loans, 15 Capex/Restructuring Loans, 10 Revolving Credit Loans or 10 Letters of Credit outstanding.

4.6 Limitations

- (a) A Casema Term Loan may only be drawn down on the Casema Closing Date (provided that, if the original terms of the Casema Acquisition Documents require the consideration for the Casema Acquisition to be deposited into the relevant civil law notary's notary account before such date, the relevant amounts may be requested for such earlier date provided that a funding indemnity letter is entered into by the relevant Borrower and that such amounts shall not constitute a "Loan" until, and may only be released to the relevant Borrowers on, the Casema Closing Date and in accordance with the terms of the Casema Notary Letter) and by the Borrowers and in the amounts specified in the Casema Funds Flow Statement.

- (b) A Kabelcom Term Loan may only be drawn down on the Kabelcom Closing Date (provided that, if the original terms of the Kabelcom Acquisition Documents require the consideration for the Kabelcom Acquisition to be deposited into the relevant civil law notary's notary account before such date, the relevant amounts may be requested for such earlier date provided that a funding indemnity letter is entered into by the relevant Borrower and that such amounts shall not constitute a "Loan" until, and may only be released to the relevant Borrowers on, the Kabelcom Closing Date and in accordance with the terms of the Kabelcom Notary Letter) and by the Borrowers and in the amounts specified in the Kabelcom Funds Flow Statement.
- (c) No utilisation of the Revolving Credit Facility may be made on the Casema Closing Date or on the Kabelcom Closing Date.
- (d) After the Casema Closing Date but prior to the Kabelcom Closing Date, the maximum amount which may be utilised under the Revolving Credit Facility is €75,000,000 and the maximum amount which may be utilised under the Capex/Restructuring Facility is €75,000,000.
- (e) A Restructuring Loan may only be drawn down after the Casema Closing Date.

5. UTILISATION—LOANS

5.1 Giving of Requests for Loans

- (a) A Borrower may (or the Parent may on its behalf) borrow a Loan by giving to the Facility Agent a duly completed Request.
- (b) Unless the Facility Agent otherwise agrees, the latest time for receipt by the Facility Agent of a duly completed Request for a Loan is 11.00 a.m. one Business Day before the Rate Fixing Day for the proposed borrowing.
- (c) Each Request is irrevocable.

5.2 Completion of Requests for Loans

A Request for a Loan will not be regarded as having been duly completed unless:

- (a) it identifies the Borrower and, in the case of a Casema Term Loan or a Kabelcom Term Loan, such Borrower is specified in the Casema Funds Flow Statement or the Kabelcom Funds Flow Statement (as the case may be);
- (b) it identifies the Facility under which the Loan is to be made, and in respect of a Facility E Loan, the Facility E Tranche under which that Loan is to be made;
- (c) the Utilisation Date is a Business Day falling within the relevant Availability Period;
- (d) the amount of the Loan requested is:
 - (i) a minimum of €500,000 (or, in the case of a Facility E Loan, a minimum amount and currency as specified in the relevant Facility E Commitment Letter but in any case a minimum amount not less than €500,000 (or its equivalent));
 - (ii) the maximum undrawn amount available under the relevant Facility (or in the case of a Facility E Loan, the relevant Facility E Tranche) on the proposed Utilisation Date; or
 - (iii) such other lower amount as the Facility Agent may agree; and
- (e) the Interest Period complies with this Agreement.

Only one Loan may be requested in a Request other than in respect of the Loans to be made on the Casema Closing Date and the Kablecom Closing Date which may all be requested in one Request.

5.3 Advance of Loan

- (a) The Facility Agent must promptly notify each Lender of the details of the requested Loan and the amount of its share in that Loan.
- (b) The amount of each Lender's share of each Loan will be equal to its Pro Rata Share of such Loan on the proposed Utilisation Date.
- (c) No Lender is obliged to participate in a Loan if as a result:
 - (i) its share in the outstanding Credits under the relevant Facility would exceed its Commitment for that Facility; or
 - (ii) the outstanding Credits under the relevant Facility would exceed the Total Commitments for that Facility.
- (d) If the conditions set out in this Agreement have been met, each Lender must make its share in the Loan available to the Facility Agent for the relevant Borrower through its Facility Office on the Utilisation Date.

6. UTILISATION—LETTERS OF CREDIT

6.1 Giving of Requests for Letters of Credit

- (a) A Borrower may (or the Parent may on its behalf) request a Letter of Credit to be issued under the Revolving Credit Facility by giving to the Facility Agent a duly completed Request.
- (b) Unless the Facility Agent otherwise agrees, the latest time for receipt by the Facility Agent of a duly completed Request for a Letter of Credit is 11.00 a.m. three Business Days before the proposed Utilisation Date.
- (c) Each Request is irrevocable.

6.2 Completion of Requests for Letters of Credit

A Request for a Letter of Credit will not be duly made unless:

- (a) it identifies the Borrower (which may not be a member of the Newco Group);
- (b) it specifies that it is for a Letter of Credit;
- (c) the Utilisation Date is a Business Day falling within the relevant Availability Period;
- (d) the amount of the Letter of Credit requested is:
 - (i) a minimum of €500,000;
 - (ii) the maximum undrawn amount available under the relevant Facility on the proposed Utilisation Date; or
 - (iii) such other lower amount as the Facility Agent may agree;
- (e) it identifies the beneficiary of the Letter of Credit;
- (f) the form of Letter of Credit is attached to the Request and has previously been agreed by the Issuing Bank and by the Facility Agent (acting on the instructions of the Lenders whose

Commitments in the relevant Facility then aggregate $66\frac{2}{3}$ per cent. or more of the Total Commitments for that Facility) or is in the form set out in Schedule 9 (Form of Letter of Credit);

- (g) the Maturity Date of the Letter of Credit will fall on or before the scheduled Final Maturity Date for the Revolving Credit Facility; and
- (h) the delivery instructions for the Letter of Credit are specified.

Only one Letter of Credit may be requested in a Request.

6.3 Issue of Letter of Credit

- (a) The Facility Agent must promptly notify the Issuing Bank and each relevant Lender of the details of the requested Letter of Credit and the amount of such Lender's share of that Letter of Credit.
- (b) The amount of each Lender's share in a Letter of Credit will be equal to its Pro Rata Share of such Letter of Credit on the proposed Utilisation Date.
- (c) If the conditions set out in this Agreement have been met, the Issuing Bank must issue the Letter of Credit on the proposed Utilisation Date.

6.4 Renewal of a Letter of Credit

- (a) A Borrower (or the Parent on its behalf) may request that any Letter of Credit issued on behalf of that Borrower be renewed by delivery to the Agent of a Request for a Letter of Credit.
- (b) The Finance Parties shall treat any Request for a renewal of a Letter of Credit in the same way as a Request for a Letter of Credit except that the conditions set out in Clause 6.2(f) (Completion of Requests for Letters of Credit) shall not apply.
- (c) The terms of each renewed Letter of Credit shall be the same as those of the relevant Letter of Credit immediately prior to its renewal, except that:
 - (i) its amount may be less than the amount of the Letter of Credit immediately prior to its renewal; and
 - (ii) the Maturity Date for that Letter of Credit shall be extended to the proposed Maturity Date specified in the Request.
- (d) If the conditions set out in this Agreement have been met, the Issuing Bank shall amend and re-issue any Letter of Credit pursuant to a Request given in accordance with this Clause.

7. LETTERS OF CREDIT

7.1 General

- (a) A Letter of Credit is **repaid** or **prepaid** to the extent that:
 - (i) a Borrower provides cash cover for that Letter of Credit;
 - (ii) a Borrower has made a payment under Clause 7.4(b) (Claims under a Letter of Credit) in respect of that Letter of Credit or a Borrower has made a reimbursement in respect of that Letter of Credit under Clause 7.5(d) (Indemnities);
 - (iii) the maximum amount payable under the Letter of Credit is reduced or cancelled in accordance with its terms;

- (iv) the Letter of Credit is returned by the beneficiary with his written confirmation that it is released and cancelled; or
- (v) the Issuing Bank is satisfied that it has no further liability under that Letter of Credit.

The amount by which a Letter of Credit is repaid or prepaid under sub-paragraphs (i) to (v) above is the amount of the relevant cash cover, payment, release, cancellation or reduction.

- (b) If a Letter of Credit or any amount outstanding under a Letter of Credit becomes immediately payable under this Agreement, the Borrower that requested the issue of the Letter of Credit must repay or prepay that Letter of Credit or that amount within three Business Days of demand.
- (c) A Borrower provides **cash cover** for a Letter of Credit if it pays an amount in the currency of the Letter of Credit to an interest-bearing account (with such interest to be for the account of the Borrower) with a Finance Party in London or Amsterdam in the name of the Borrower and the following conditions are met:
 - (i) the account is with the Issuing Bank;
 - (ii) until no amount is or may be outstanding under that Letter of Credit, withdrawals from the account may only be made to pay the Finance Party for which the cash cover is provided under this Clause; and
 - (iii) the Borrower has executed and delivered a security document over that account, in form and substance satisfactory to the Facility Agent, creating a first ranking Security Interest over that account.

References to cash cover exclude any interest accrued on that cash cover.

- (d) The **outstanding** or **principal** amount of a Letter of Credit at any time is the maximum amount (actual or contingent) that is or may be payable by the relevant Issuing Bank in respect of that Letter of Credit at that time less any amount of cash cover provided in respect of that Letter of Credit which has not been applied in payment to the Issuing Bank.
- (e) The amount of cash cover will be ignored in calculating the undrawn Commitment of each Lender.

7.2 Illegality

- (a) The Issuing Bank must notify the Parent promptly if it becomes aware that it is unlawful in any jurisdiction for the Issuing Bank to perform any of its obligations under a Senior Finance Document or to have outstanding any Letter of Credit.
- (b) After notification under paragraph (a) above:
 - (i) the Parent must use all reasonable endeavours to ensure the release of the liability of the Issuing Bank under each outstanding Letter of Credit;
 - (ii) failing this, each Borrower must repay or prepay the share of each Lender in each Letter of Credit requested by it on the date specified in paragraph (c) below; and
 - (iii) no further Letters of Credit will be issued by that Issuing Bank until a new or replacement Issuing Bank is appointed (or the illegality ceases).
- (c) The date for repayment or prepayment of a Lender's share in a Letter of Credit will be the date specified by the Issuing Bank in the notification under paragraph (a) above and which must not be earlier than the last day of any applicable grace period allowed by law.

7.3 Fees in respect of Letters of Credit

- (a) Each Borrower must pay to the Facility Agent for the account of the Issuing Bank a fronting fee in respect of each Letter of Credit requested by it and issued by the Issuing Bank in an amount equal to 0.125 per cent. per annum of the principal outstanding amount of the Letter of Credit (excluding the amount of the share of the Issuing Bank or its Affiliate in the Letter of Credit if that Issuing Bank or its Affiliate is also a Lender) from and including the date of issue of the Letter of Credit to and including its Maturity Date, payable quarterly in arrear.
- (b) Each Borrower must pay to the Facility Agent (for the account of each Lender under the Revolving Credit Facility) a letter of credit fee computed at a rate equal to then applicable Margin for Revolving Credit Loans on the outstanding amount of each Letter of Credit requested by it for the period from and including the date of the issue of that Letter of Credit until and including its Maturity Date.
- (c) Letter of credit fee is payable quarterly in arrear and at the end of any shorter period that ends on the Maturity Date for that Letter of Credit. Accrued letter of credit fee is also payable to the Facility Agent on the cancelled amount of any Lender's Revolving Credit Commitment at the time the cancellation is effective if that Commitment is cancelled in full and its participation in any Letter(s) of Credit is prepaid or repaid in full.

7.4 Claims under a Letter of Credit

- (a) Each Borrower and Lender irrevocably and unconditionally authorises the Issuing Bank to pay any claim made or purported to be made under a Letter of Credit requested by that Borrower and which appears on its face to be in order (a **claim**).
- (b) Each Borrower which requests a Letter of Credit must within three Business Days of demand pay to the Facility Agent for the account of the Issuing Bank an amount equal to the amount of any claim under that Letter of Credit.
- (c) Each Borrower and each Lender acknowledges that the Issuing Bank:
 - (i) is not obliged to carry out any investigation or seek any confirmation from any other person before paying a claim; and
 - (ii) deals in documents only and will not be concerned with the legality of a claim or any underlying transaction or any available set-off, counterclaim or other defence of any person,and the Issuing Bank may assume that any demand, certificate, statement or document which appears on its face to be in order is correct and properly made.
- (d) The obligations of each Borrower and each Lender under this Clause will not be affected by:
 - (i) the sufficiency, accuracy or genuineness of any claim or any other document; or
 - (ii) any incapacity of, or limitation on the powers of, any person signing a claim or other document.

7.5 Indemnities

- (a) A Borrower must within three Business Days of demand indemnify the Issuing Bank against any loss or liability which the Issuing Bank incurs under or in connection with any Letter of Credit requested by it, except to the extent that the loss or liability is directly caused by the gross negligence or wilful misconduct of the Issuing Bank.
- (b) Each Lender under the Revolving Credit Facility must immediately on demand indemnify the Issuing Bank against its share of any loss or liability which the Issuing Bank incurs under or in connection with any Letter of Credit and which at the date of demand has not been paid for by an Obligor, except to the

extent that the loss or liability is directly caused by the gross negligence or wilful misconduct of the Issuing Bank.

- (c) A Lender's share of the liability or loss referred to in paragraph (b) above will be its Pro Rata Share on the Utilisation Date of the relevant Letter of Credit, adjusted to reflect any subsequent assignment or transfer in accordance with Clause 30.3(b) (Assignments and transfers—Revolving Credit Facility).
- (d) The relevant Borrower must within three Business Days of demand reimburse any Lender for any payment it makes to the Issuing Bank under this Clause.
- (e) The obligations of each Borrower and Lender under this Clause are continuing obligations and will extend to the ultimate balance of all sums payable by that Borrower or Lender under or in connection with any Letter of Credit, regardless of any intermediate payment or discharge in whole or in part.
- (f) The obligations of each Borrower and Lender under this Clause will not be affected by any act, omission or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Clause (whether or not known to it or any other person). This includes:
 - (i) any time or waiver granted to, or composition with, any person;
 - (ii) any release of any person under the terms of any composition or arrangement;
 - (iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person;
 - (iv) any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
 - (v) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person;
 - (vi) any amendment (however fundamental) of a Senior Finance Document or any other document or security;
 - (vii) any unenforceability, illegality or invalidity of any obligation of any person under any Senior Finance Document or any other document or security; or
 - (viii) any insolvency or similar proceedings.

7.6 Lender as Issuing Bank

A Lender which is also the Issuing Bank shall be treated as a separate entity in those capacities and capable, as a Lender, of contracting with itself as the Issuing Bank.

7.7 Rights of contribution

No Obligor will be entitled to any right of contribution or indemnity from any Finance Party in respect of any payment it may make under this Clause.

8. ANCILLARY FACILITIES

8.1 General

- (a) In this Clause, a reference to an **Ancillary Facility** includes a Bilateral Ancillary Facility and a Fronted Ancillary Facility.
- (b) An Ancillary Facility may comprise an overdraft, guarantee, bonding, documentary or stand-by letter of credit, short term loan, derivatives or foreign exchange facilities or any other facility or accommodation agreed between the Parent and the relevant Lender.

- (c) The entire Revolving Credit Facility may be used by way of Ancillary Facilities.
- (d) An Ancillary Facility may not be made available unless the Facility Agent has received from the Parent not less than seven Business Days before the proposed start date for that Ancillary Facility:
 - (i) a notice in writing requesting the establishment of an Ancillary Facility and specifying:
 - (A) whether the Ancillary Facility is a Bilateral Ancillary Facility or a Fronted Ancillary Facility;
 - (B) the members of the Group (being Borrowers or Affiliates of Borrowers) which may use the Ancillary Facility;
 - (C) the start date and expiry date of the Ancillary Facility;
 - (D) the type of Ancillary Facility being provided;
 - (E) the identity of the Ancillary Lender; and
 - (F) the applicable Ancillary Commitment (which must be in the Base Currency) and if the outstandings under the Ancillary Facility are to be calculated on a net and gross basis, the applicable net and gross limits;
 - (ii) a copy of any relevant Ancillary Facility Documents; and
 - (iii) any other information which the Facility Agent may reasonably require in connection with the Ancillary Facility.
- (e) After the Facility Agent has received all of the documentation and information specified in paragraph (d) above:
 - (i) the Lender concerned will become an Ancillary Lender; and
 - (ii) the Ancillary Facility will be available,

with effect from the date agreed by the Parent and the Ancillary Lender.
- (f) The Facility Agent must promptly notify the other Lenders of the matters referred to in paragraph (d) above.
- (g) No amendment or waiver of a term of an Ancillary Facility shall require the consent of any Finance Party other than the relevant Ancillary Lender unless such amendment or waiver itself relates to or gives rise to a matter which would require an amendment or waiver of or under this Agreement (including, for the avoidance of doubt, under this Clause) in which case the provisions of this Agreement with regard to amendments and waivers will apply.

8.2 Bilateral Ancillary Facilities

- (a) If the Parent and a Lender agree and subject as provided below, that Lender may provide an Ancillary Facility on a bi-lateral basis (a **Bilateral Ancillary Facility**) to a Borrower (or an Affiliate of a Borrower) in place of all or part of that Lender's Revolving Credit Commitment. The undrawn amount of that Lender's Revolving Credit Commitment shall be reduced by the amount of its Ancillary Commitment.
- (b) An Ancillary Lender's Revolving Credit Commitment at any time shall be reduced by the amount of its Ancillary Commitment in respect of a Bilateral Ancillary Facility in force at that time and increased by the amount of its Ancillary Commitment in respect of a Bilateral Ancillary Facility cancelled from time to time.

8.3 Fronted Ancillary Facilities

- (a) If the Parent and a Lender agree and subject as provided below, that Lender (a **Fronted Ancillary Lender**) may provide an Ancillary Facility on a fronted basis (a **Fronted Ancillary Facility**) to a Borrower (or an Affiliate of a Borrower).
- (b) The amount of a Fronted Ancillary Facility may exceed the proposed Ancillary Lender's Revolving Credit Commitment provided that the other Lenders under the Revolving Credit Facility indemnify that Ancillary Lender in accordance with Clause 8.7 (Indemnities under a Fronted Ancillary Facility). The undrawn amount of the Total Revolving Credit Commitments shall be reduced by the amount of the Ancillary Commitment of the Fronted Ancillary Lender and the available Revolving Credit Commitment of each Lender under the Revolving Credit Facility shall be reduced pro rata.
- (c) The maximum amount of a Fronted Ancillary Facility shall be an amount equal to the Total Revolving Credit Commitments at that time **less**:
 - (i) the principal amount of any Revolving Credit Loans or Letters of Credit outstanding at that time; and
 - (ii) the maximum amount which may be utilised under any Bilateral Ancillary Facility which is outstanding at that time.
- (d) The Facility Agent shall inform each Fronted Ancillary Lender when a new Lender under the Revolving Credit Facility becomes a Party to this Agreement.

8.4 Interest Periods of Ancillary Facilities

- (a) Except as provided below, the terms of any Ancillary Facility will be those agreed by the Ancillary Lender and the Parent.
- (b) However, those terms:
 - (i) must provide that, in relation to a Fronted Ancillary Facility, the margin and commitment fee are equal to the Margin and commitment fee applicable to the Revolving Credit Facility under this Agreement;
 - (ii) must be based upon normal commercial terms at that time;
 - (iii) must only allow Borrowers or their Affiliates to use the Ancillary Facility;
 - (iv) must not allow the Ancillary Outstandings to exceed the Ancillary Commitment (and if Ancillary Outstandings are calculated on a net basis must not allow the aggregate gross outstandings under the Ancillary Facility to exceed the amount agreed with the Facility Agent);
 - (v) must not allow the Ancillary Commitment of a Lender to exceed the undrawn Revolving Credit Commitment of that Lender (before reduction on account of the Ancillary Commitment); and
 - (vi) must ensure that the Ancillary Commitment is cancelled, and that all Ancillary Outstandings are repaid or cash-collateralised in full, not later than the Final Maturity Date for the Revolving Credit Facility.
- (c) In the event of any conflict between the terms of an Ancillary Facility Document and any other Senior Finance Document, the terms of the other Senior Finance Document will prevail.

8.5 Refinancing of Ancillary Facility

- (a) No Ancillary Lender may cancel any of its Ancillary Commitment or demand repayment or prepayment of any amounts or demand cash cover for any liabilities made available or incurred by it under its Ancillary Facility (except where the Ancillary Facility is provided on a net limit basis to the extent required to bring any gross outstandings down to the net limit), unless:
 - (i) the Total Revolving Credit Commitments have been cancelled in full, or the Facility Agent has declared all outstanding Credits under the Revolving Credit Facility immediately due and payable; or
 - (ii) the Ancillary Outstandings (if any) under that Ancillary Facility can be refinanced by a Revolving Credit Utilisation under the Revolving Credit Facility and the Ancillary Lender gives sufficient notice to enable a Revolving Credit Utilisation to be made to refinance those Ancillary Outstandings.
- (b) For the purposes of determining whether or not the Ancillary Outstandings under that Ancillary Facility can be refinanced by a Revolving Credit Utilisation:
 - (i) the Revolving Credit Commitment of the Ancillary Lender will be increased by the amount of its Ancillary Commitment; and
 - (ii) the Revolving Credit Utilisation may (provided that sub-paragraph (i) of paragraph (a) above does not apply) be made irrespective of whether a Default is outstanding or any other applicable condition precedent is not satisfied (but only to the extent that the proceeds are applied in refinancing those Ancillary Outstandings) and irrespective of whether Clause 4.4 (Certain Funds Period) or Clause 5.2 (Completion of Requests for Loans) or Clause 6.2(d) (Completion of Requests for Letters of Credit) applies.
- (c) On the making of a Revolving Credit Utilisation made to refinance Ancillary Outstandings:
 - (i) each Lender will participate in that Revolving Credit Utilisation in such amount (as determined by the Facility Agent) as will result as nearly as possible in the aggregate amount of its participation in the Revolving Credit Utilisations then outstanding bearing the same proportion to the aggregate amount of the Revolving Credit Utilisations then outstanding as its Revolving Credit Commitment bears to the aggregate of the Revolving Credit Commitments; and
 - (ii) the relevant Ancillary Facility shall be cancelled.

8.6 Information

Each Obligor and each Ancillary Lender must, promptly upon request by the Facility Agent, supply the Facility Agent with any information relating to the operation of an Ancillary Facility (including the Ancillary Outstandings) as the Facility Agent may reasonably request.

8.7 Indemnities under a Fronted Ancillary Facility

- (a) A Borrower must within three Business Days of demand indemnify the Fronted Ancillary Lender against any loss or liability which the Fronted Ancillary Lender incurs under or in connection with that Fronted Ancillary Facility requested by it, except to the extent that the loss or liability is directly caused by the gross negligence or wilful misconduct of the Fronted Ancillary Lender.
- (b) Each Lender under the Revolving Credit Facility (other than the Fronted Ancillary Lender) must immediately on demand indemnify the Fronted Ancillary Lender against its share of any loss or liability (as calculated under paragraph (c) below which the Fronted Ancillary Lender incurs under or in connection with its Fronted Ancillary Facility and which at the date of demand has not been paid for by an Obligor, except to the extent that the loss or liability is directly caused by the gross negligence or wilful misconduct of the Fronted Ancillary Lender.

- (c) A Lender's share of the liability or loss referred to in paragraph (b) above will be its Pro Rata Share of the outstanding amount of the Fronted Ancillary Facility at that time provided that no Lender shall be required to indemnify the Fronted Ancillary Lender in respect of any amount of the Fronted Ancillary Facility which exceeds the limit on the maximum amount of a Fronted Ancillary Facility referred to in Clause 8.3(c) (Fronted Ancillary Facilities).
- (d) The relevant Borrower must within three Business Days of demand reimburse any Lender for any payment it makes to the Fronted Ancillary Lender under this Clause.
- (e) The obligations of each Borrower and Lender under this Clause are continuing obligations and will extend to the ultimate balance of all sums payable by that Borrower or Lender under or in connection with any Fronted Ancillary Facility, regardless of any intermediate payment or discharge in whole or in part.
- (f) The obligations of each Borrower and Lender under this Clause will not be affected by any act, omission or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Clause (whether or not known to it or any other person). This includes:
 - (i) any time or waiver granted to, or composition with, any person;
 - (ii) any release of any person under the terms of any composition or arrangement;
 - (iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person;
 - (iv) any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
 - (v) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person;
 - (vi) any amendment (however fundamental) of a Senior Finance Document or any other document or security;
 - (vii) any unenforceability, illegality or invalidity of any obligation of any person under any Senior Finance Document or any other document or security; or
 - (viii) any insolvency or similar proceedings.

8.8 Fees payable in respect of Fronted Ancillary Facilities

- (a) The Fronted Ancillary Lender shall, at three monthly intervals starting on commencement of the relevant Fronted Ancillary Facility and ending on the day on which such Fronted Ancillary Facility ceases to be made available, notify the Facility Agent of the daily amount outstanding under that Fronted Ancillary Facility.
- (b) The Borrower who requested the relevant Fronted Ancillary Facility shall pay to the Facility Agent (for the account of each Lender under the Revolving Credit Facility including the Fronted Ancillary Lender) a fee (the **Fronted Ancillary Facility Fee**) in relation to each Fronted Ancillary Facility calculated at the rate equal to the aggregate of:
 - (i) the Margin applicable to a Revolving Facility Loan on the amount of the Fronted Ancillary Commitment in respect of which amounts were outstanding; and
 - (ii) the commitment fee (as set out in Clause 26.5 (Commitment fee on Revolving Credit Facility and Capex/Restructuring) applicable to a Revolving Facility Loan on the amount of the Fronted Ancillary Commitment in respect of which no amounts were outstanding,

in each case during the relevant period calculated on a daily basis. The Facility Agent shall distribute the Fronted Ancillary Facility Fee pro rata to each Lender's Revolving Credit Commitment.

- (c) The Fronted Ancillary Facility Fee shall be payable to the Facility Agent (for the account of each Lender) quarterly in arrear and on the date on which the Fronted Ancillary Facility is prepaid or repaid in full or on which the Revolving Credit Facility is cancelled in full.

9. REPAYMENT

9.1 Repayment of Casema A Term Loans and Kabelcom A Term Loans

- (a) On each date specified in the table below, each relevant Borrower must repay a part of the Casema A Term Loans and the Kabelcom A Term Loans. The amount to be repaid on each repayment date shall be equal to the percentage (as set out opposite that repayment date in the table below) of the amount of the Casema A Term Loan Commitments and Kabelcom A Term Loan Commitments (as the case may be) as at the date of this Agreement.

Repayment Date	Percentage of Casema A Term Loans to be repaid	Percentage of Kabelcom A Term Loans to be repaid
30th September, 2007	2.60%	No repayment
31st March, 2008.....	3.00%	2.60%
30th September, 2008	3.00%	3.00%
31st March, 2009.....	4.60%	3.00%
30th September, 2009	5.60%	4.00%
31st March, 2010.....	7.50%	4.00%
30th September, 2010	8.00%	7.00%
31st March, 2011.....	8.50%	7.00%
30th September, 2011	8.50%	8.00%
31st March, 2012.....	9.50%	8.50%
30th September, 2012	9.50%	9.50%
31st March, 2013.....	14.85%	21.70%
Final Maturity Date	14.85%	21.70%

- (b) Any amount of any Casema A Term Loan or Kabelcom A Term Loan still outstanding on the Final Maturity Date relating to the Casema A Term Loan Facility and the Kabelcom A Term Loan Facility must be repaid on that date.

9.2 Repayment of Casema B Term Loans and Kabelcom B Term Loans

- (a) Each relevant Borrower must repay the Casema B Term Loans in two equal instalments. The first such repayment must be made on the date falling 7 years and 6 months after the Casema Closing Date and the second repayment must be made on the Final Maturity Date for the Casema B Term Loan Facility.
- (b) Each relevant Borrower must repay the Kabelcom B Term Loans in two equal instalments. The first such repayment must be made on the date falling 7 years and 6 months after the Casema Closing Date and the second repayment must be made on the Final Maturity Date for the Kabelcom B Term Loan Facility.
- (c) Any amount of any Casema B Term Loan and any Kabelcom B Term Loan still outstanding on the Final Maturity Date relating to the Casema B Term Loan Facility and the Kabelcom B Term Loan Facility must be repaid in full on that date.

9.3 Repayment of Casema C Term Loans and Kabelcom C Term Loans

- (a) Each relevant Borrower must repay the Casema C Term Loans in two equal instalments. The first such repayment must be made on the date falling 8 years and 6 months after the Casema Closing Date and the second repayment must be made on the Final Maturity Date for the Casema C Term Loan Facility.
- (b) Each relevant Borrower must repay the Kabelcom C Term Loans in two equal instalments. The first such repayment must be made on the date falling 8 years and 6 months after the Casema Closing Date

and the second repayment must be made on the Final Maturity Date for the Kabelcom C Term Loan Facility.

- (c) Any amount of any Casema C Term Loan and any Kabelcom C Term Loan still outstanding on the Final Maturity Date relating to the Casema C Term Loan Facility and the Kabelcom C Term Loan Facility must be repaid in full on that date.

9.4 Repayment of Casema D Term Loans and Kabelcom D Term Loans

Any amount of any Casema D Term Loan and any Kabelcom D Term Loan still outstanding on the Final Maturity Date relating to the Casema D Term Loan Facility and the Kabelcom D Term Loan Facility must be repaid in full on that date.

9.5 Repayment of Capex/Restructuring Loans

- (a) Each relevant Borrower must repay the Capex/Restructuring Loans in six equal instalments. The first such repayment must be made on the date falling 4 years and 6 months after the Casema Closing Date and at six month intervals thereafter with the last repayment to be made on the Final Maturity Date for the Capex/Restructuring Facility.
- (b) Any amount of any Capex/Restructuring Loan still outstanding on the Final Maturity Date relating to the Capex/Restructuring Facility must be repaid in full on that date.

9.6 Repayment of Revolving Credit Loans

- (a) Each Borrower must repay each Revolving Credit Loan made to it in full on its Maturity Date.
- (b) Subject to the other terms of this Agreement, any amounts repaid under paragraph (a) above may be re-borrowed.
- (c) Without prejudice to any Borrower's obligation to repay the full amount of each Revolving Credit Loan on its Maturity Date, on the date of any Rollover Loan drawn by any Borrower, the amount of the Revolving Credit Loan to be repaid and the amount to be drawn down by such Borrower on such date in the same currency shall be netted off against each other so that the amount of cash which such Borrower is actually required to pay or, as the case may be, the amount of cash which the Lenders are actually required to pay to such Borrower, shall be the net amount.
- (d) Any amount of any Revolving Credit Loan still outstanding on the Final Maturity Date for the Revolving Credit Facility shall be repaid on that date.

9.7 Repayment of Letters of Credit

- (a) Each Borrower must repay each Letter of Credit issued on its behalf in full on the date stated in that Letter of Credit to be its expiry date in accordance with Clause 7.1(a) (General).
- (b) Subject to the other terms of this Agreement, any amounts repaid under paragraph (a) above may be re-utilised.
- (c) Any Letter of Credit still outstanding on the Final Maturity Date for the Revolving Credit Facility shall be repaid accordance with Clause 7.1(a) (General) on that date.

9.8 No reborrowing

Any amounts of any Term Loan or any Capex/Restructuring Loan repaid under this Clause 9 may not be re-borrowed.

9.9 Repayment of Facility E Loans

Each relevant Borrower must repay each Facility E Loan made to it on the Final Maturity Date applicable to the Facility E Tranche under which that Facility E Loan was drawn. Any amount of any Facility E Loan still outstanding on the Final Maturity Date relating to the relevant Facility E Tranche must be repaid in full on that date.

10. PREPAYMENT AND CANCELLATION

10.1 Mandatory prepayment—illegality

- (a) A Lender (other than the Facility E Lender) must promptly notify the Facility Agent and the Parent if it becomes aware that it is unlawful in any applicable jurisdiction for that Lender to perform any of its obligations under a Senior Finance Document or to fund or maintain its share in any Credit.
- (b) After notification under paragraph (a) above the Facility Agent must notify the Parent and:
 - (i) each relevant Borrower must repay or prepay the share of that Lender in each Credit utilised by it on the date specified in paragraph (c) below; and
 - (ii) the Commitments of that Lender will be immediately cancelled.
- (c) The date for repayment or prepayment of a Lender's share in a Credit will be:
 - (i) the last day of the current Interest Period of that Credit; or
 - (ii) if earlier, the date specified by the Lender in the notification under paragraph (a) above and which must not be earlier than the last day of any applicable grace period allowed by law.

10.2 Mandatory prepayment—change of control or sale of business

If:

- (a) prior to a Flotation, the Original Investors together with funds managed or advised by the Original Investors (the **Relevant Holders**):
 - (i) cease to own (directly or indirectly) or to exercise control over the voting rights of more than 50% of the voting shares of the Parent; or
 - (ii) cease to hold (directly or indirectly) the right or ability to determine the composition of a majority of the managing board of directors of the Parent; or
- (b) following a Flotation, the Relevant Holders cease to own (directly or indirectly) or to exercise control over the voting rights of more than 30% of the voting shares of the Parent (provided that no person or persons acting in concert owns a greater percentage than the Relevant Holders); or
- (c) there is a sale of all or substantially all of the assets of the Group; or
- (d) any change of control (however described) under the Senior Unsecured Note Documents occurs and at least one holder of the Senior Unsecured Notes tenders and does not withdraw prior to acceptance some or all of its Senior Unsecured Notes for repayment or redemption; or
- (e) any change of control (however described) under the Senior Secured Note Documents occurs and at least one holder of the Senior Secured Notes tenders and does not withdraw prior to acceptance some or all of its Senior Secured Notes for repayment or redemption,

then:

- A. the Total Commitments (other than the Facility E Commitments save to the extent provided in Clause 10.9 (Mandatory prepayment—Facility E)) shall be cancelled; and
- B. all outstanding Credits (other than Facility E Loans), together with accrued and unpaid interest and all other amounts accrued and outstanding under the Senior Finance Documents, shall become immediately due and payable.

10.3 Mandatory prepayment—Flotation

- (a) In this Clause:

Net Flotation Proceeds means the gross total proceeds received by the Parent or any member of the Group or any of their Holding Companies (other than an Original Investor) in relation to a Flotation (which does not constitute a Change of Control) less:

- (i) fees and transactions costs and other out of pocket expenses of the Parent or any member of the Group (or any of its or their Holding Companies) properly incurred in connection with that Flotation;
 - (ii) the VAT or similar tax paid or payable by the Parent or any member of the Group (or any of its or their Holding Companies) as a result of such Flotation; and
 - (iii) any income, capital gains or other taxes incurred and required to be paid by the Parent or any member of the Group (or any of its or their Holding Companies) in connection with such Flotation as reasonably determined in good faith by the Parent or such member of the Group (or any of its or their Holding Companies) on the basis of the tax rates applicable to the gain (if any) and after taking into account all available credits, deductions and allowances which relate to that disposal or any such taxes reserved for (on the basis of professional advice).
- (b) In the event of a Flotation of the Parent or any other member of the Group or any Holding Company of any member of the Group (other than any Original Investor) which does not otherwise constitute a Change of Control, the Parent shall (or shall procure that the Borrowers shall), subject to paragraph (d) below, apply an amount equal to the “Applicable Percentage” (as determined in accordance with paragraph (c) below) of any Net Flotation Proceeds received towards prepaying the Credits (other than Facility E Loans save to the extent provided in Clause 10.9 (Mandatory prepayment—Facility E)) within five Business Days of receipt of such Net Flotation Proceeds or, at the Parent’s election and subject to the provisions of Clause 10.10 (Payment into a mandatory prepayment account), at the end of the then current Interest Period.
 - (c) For the purposes of paragraph (b) above, the “Applicable Percentage” shall be determined by reference to the ratio of Consolidated Total Net Borrowings to Adjusted Consolidated EBITDA for the most recent Measurement Period in respect of which a Compliance Certificate has been delivered in accordance with Clause 20.3 (Compliance Certificate), in accordance with the table below.

<u>Ratio of Consolidated Total Net Borrowings to Adjusted Consolidated EBITDA</u>	<u>Applicable Percentage</u>
More than or equal to 6.0x	75 per cent.
Less than 6.0x but more than or equal to 5.0x.....	50 per cent.
Less than 5.0x but more than or equal to 4.0x.....	25 per cent.
Less than 4.0x.....	0 per cent.

- (d) (i) If the ratio of Consolidated Total Net Borrowings to Adjusted Consolidated EBITDA would have been less than 4.5:1 for the most recent Measurement Period in respect of which a Compliance Certificate has been delivered in accordance with Clause 20.3 (Compliance Certificate), assuming for the purposes of this calculation that the mandatory prepayment required from the Net Flotation Proceeds of such Flotation pursuant to this Clause 10.3 (together with any voluntary prepayment of Credits made at the same time as any such mandatory prepayment out of the Net Flotation Proceeds of such Flotation which are not required to be applied in mandatory prepayment) had occurred on the last day of that Measurement Period, the Parent may, if it so elects, apply the amount required for prepayment of the Facilities under paragraph (b) above (together with any other Net Flotation Proceeds of such Flotation) in or towards prepayment of the Facilities (including Facility D) and/or the Proceeds

Loans (in such proportion as the Parent selects). The Parent must ensure that the Senior Unsecured Note Issuer applies an amount equal to the amount prepaid under the Proceeds Loans pursuant to this paragraph (i) in immediate prepayment or redemption of the Senior Unsecured Notes.

- (ii) The Parent must apply (or procure other Borrowers to apply) the proceeds of a Proceeds Loan in prepayment of the Mezzanine Facility and/or the Facilities in accordance with Clause 22.37 (Proceeds Loans).
- (e) The Parent may apply (or procure other Borrowers to apply) an amount equal to the Net Flotation Proceeds of a Qualifying IPO that are not required to be applied in prepayment of the Facilities in accordance with paragraph (b) above in or towards prepayment of Facility D and the Shareholder Loans (in such proportion as the Parent selects).

10.4 Mandatory prepayment—disposals

- (a) In this Clause:

Net Disposal Proceeds means, in relation to any disposal of an asset by a member of the Group (other than any disposal referred to in paragraphs (i), (ii), (iv), (v), (vi), (vii), (viii), (ix), (xi) and (xii) of Clause 22.6(b) (Disposals)), the amount received in Cash or Cash Equivalents (or other instruments which upon receipt are readily convertible into Cash on reasonable commercial terms) by a member of the Group in respect of such disposal:

- (i) including the amount of any intercompany loan repaid to continuing members of the Group;
- (ii) treating any amount owing to and set off by any purchaser of assets as consideration received in Cash;
- (iii) treating consideration initially received in a form other than Cash, Cash Equivalents or such other instruments as being received when and if that consideration is converted into Cash or Cash Equivalents or becomes readily so convertible on reasonable commercial terms;
- (iv) any amount of the consideration payable in respect of such disposal which is deferred shall constitute Net Disposal Proceeds on the date on which such deferred consideration is received;
- (v) after deducting Taxes (and amounts reasonably reserved in respect of Taxes) payable by members of the Group in respect of that disposal; and
- (vi) after deducting proper costs and reasonable expenses incurred by members of the Group directly in connection with that disposal,

provided that if the member of the Group (the recipient) which receives such Net Disposal Proceeds is not a wholly owned Subsidiary of another member of the Group, the Net Disposal Proceeds of such disposal shall be the amount which is proportionate to the interest held by the Group in the recipient.

- (b) Subject to paragraph (c) below, if any member of the Group receives any Net Disposal Proceeds, the Parent must (or must procure that the relevant member of the Group shall) apply an amount equal to such Net Disposal Proceeds towards prepaying the Credits (other than Facility E Loans save to the extent provided in Clause 10.9 (Mandatory prepayment—Facility E)) within 5 Business Days of receipt of such Net Disposal Proceeds or, at the Parent's election and subject to Clause 10.10 (Payment into a mandatory prepayment account), at the end of the then current Interest Period.
- (c) No prepayment shall be required under paragraph (b) above if:
 - (i) (A) the Net Disposal Proceeds received in respect of any single disposal do not exceed €2,000,000; or
 - (B) the aggregate amount of Net Disposal Proceeds received in respect of all disposals in any annual Accounting Period do not exceed an amount equal to the Relevant Basket

Amount (provided that the Net Disposal Proceeds of any individual disposals excluded under sub-paragraph (A) above shall count towards this threshold); or

- (ii) the Parent notifies the Facility Agent in writing that the managing board of the relevant member of the Group or the Parent intends to apply (or to commit to apply or to designate) such Net Disposal Proceeds for application in the purchase of assets for use in the business of the Group or to finance any Permitted Acquisition or Permitted Capital Expenditure within 12 months of receipt of such Net Disposal Proceeds provided that if such amounts have not actually been applied in that manner within such 12 month period (or if such amounts have been committed or designated to be so applied during that 12 month period and have not actually been applied in that manner within 6 months thereafter), such amounts shall be applied in prepayment of the Credits at the end of that period in accordance with this Clause.

10.5 Mandatory prepayment—insurance proceeds

- (a) In this Clause:

Net Insurance Proceeds means, in relation to any claim under any insurance policy (other than any third party liability insurance policy or any claim for business interruption, loss of profit or any similar claim) by a member of the Group, the amount received in Cash or Cash Equivalents (or other instruments which upon receipt are readily convertible into Cash on reasonable commercial terms) by a member of the Group in respect of such claim:

- (i) after deducting Taxes (and amounts reasonably reserved in respect of Taxes) payable by members of the Group in respect of that claim; and
- (ii) after deducting proper costs and reasonable expenses incurred by members of the Group directly in connection with that claim,

provided that if the member of the Group (the recipient) which receives such Net Insurance Proceeds is not a wholly owned Subsidiary of another member of the Group, the Net Insurance Proceeds of such claim shall be the amount which is proportionate to the interest held by the Group in the recipient.

- (b) Subject to paragraph (c) below, if any member of the Group receives or recovers any Net Insurance Proceeds, the Parent must (or must procure that the relevant member of the Group shall) apply such amounts towards prepaying the Credits (other than Facility E Loans save to the extent provided in Clause 10.9 (Mandatory prepayment—Facility E)) within 5 Business Days of receipt of such Net Insurance Proceeds or, at the Parent's election and subject to Clause 10.10 (Payment into a mandatory prepayment account), at the end of the then current Interest Period.
- (c) No prepayment shall be required under paragraph (b) above if:
 - (i) the aggregate amount of Net Insurance Proceeds received (excluding any amounts referred to in sub-paragraph (ii) below) by all members of the Group under any claim (or series of related claims) do not exceed €5,000,000; or
 - (ii) the Parent notifies the Facility Agent in writing that the managing board of the relevant member of the Group or the Parent intends to apply (or to commit to apply or to designate) such Net Insurance Proceeds for application in reinstatement of the relevant asset(s) or the purchase of replacement assets within 12 months of receipt of such Net Disposal Proceeds provided that if such amounts have not actually been applied in that manner within such 12 month period (or if such amounts have been committed or designated to be so applied during that 12 month period and have not actually been applied in that manner within 6 months thereafter), such amounts shall be applied in prepayment of the Credits at the end of that period in accordance with this Clause.

10.6 Mandatory prepayment—vendor warranties and report proceeds

- (a) In this Clause:

Net Recovery Proceeds means, in relation to any claim under the Casema Acquisition Documents or the Kabelcom Acquisition Documents or against the provider of any Due Diligence Report by a member of the Group or any claim by Cable Acquisitions Sarl (if it becomes a member of the Group) under any of the acquisition documents or against any provider of any due diligence report in respect of its acquisition of Casema on or about 24th December, 2002, the amount received in Cash or Cash Equivalents (or other instruments which upon receipt are readily convertible into Cash on reasonable commercial terms) by a member of the Group in respect of such claim:

- (i) after deducting Taxes (and amounts reasonably reserved in respect of Taxes) payable by members of the Group in respect of that claim; and
- (ii) after deducting proper costs and reasonable expenses incurred by members of the Group directly in connection with that claim,

provided that if the member of the Group (the recipient) which receives such Net Recovery Proceeds is not a wholly owned Subsidiary of another member of the Group, the Net Recovery Proceeds of such claim shall be the amount which is proportionate to the interest held by the Group in the recipient.

- (b) Subject to paragraph (c) below, if any member of the Group receives or recovers any Net Recovery Proceeds, the Parent must (or must procure that the relevant member of the Group shall) apply such amounts towards prepaying the Credits (other than Facility E Loans save to the extent provided in Clause 10.9 (Mandatory prepayment—Facility E)) within 5 Business Days of receipt of such amount or, at the Parent's election and subject to Clause 10.10 (Payment into a mandatory prepayment account), at end of then current Interest Period.
- (c) No prepayment shall be required under paragraph (b) above if:
 - (i) the aggregate amount of any Net Recovery Proceeds received (excluding any amounts referred to in sub-paragraph (ii) below) in respect of all claims made by members of the Group under the Casema Acquisition Documents or the Kabelcom Acquisition Documents and all claims against the providers of the Due Diligence Reports during the term of this Agreement do not exceed €5,000,000; or
 - (ii) the Parent notifies the Facility Agent in writing that the managing board of the relevant member of the Group or the Parent intends to apply (or to commit to apply or to designate) such Net Recovery Proceeds towards meeting the liability or loss which gave rise to that claim (including, *inter alia*, any tax liability, environmental liability, litigation or working capital deficiency) or reimbursing a member of the Group which has discharged or suffered any such liability or loss, within 12 months of receipt of such Net Disposal Proceeds provided that if such amounts have not actually been applied in that manner within such 12 month period (or if such amounts have been committed or designated to be so applied during that 12 month period and have not actually been applied in that manner within 6 months thereafter), such amounts shall be applied in prepayment of the Credits at the end of that period in accordance with this Clause.

10.7 Mandatory prepayment—Excess Cashflow

- (a) Subject to paragraph (c) below, if, in relation to each annual Accounting Period ending on or after 31st December 2007, the annual audited consolidated Accounts of the Parent demonstrate that Excess Cashflow has arisen during the annual Accounting Period to which such Accounts relate, the Borrowers must apply the relevant percentage (as determined in accordance with paragraph (b) below) of such Excess Cashflow towards prepaying the Credits (other than Facility E Loans save to the extent provided in Clause 10.9 (Mandatory prepayment—Facility E)).
- (b) For the purposes of paragraph (a) above, the “Relevant Percentage” shall be determined by reference to the ratio of Consolidated Total Net Borrowings to Adjusted Consolidated EBITDA for the most recent Measurement Period in respect of which a Compliance Certificate has been delivered in accordance with Clause 20.3 (Compliance Certificate), in accordance with the table below.

<u>Ratio of Consolidated Total Net Borrowings to Adjusted Consolidated EBITDA</u>	<u>Relevant Percentage</u>
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Greater than 5.5:1	50%
Equal to or less than 5.5:1 but greater than 4.5:1	25%
Equal to or less than 4.5:1	0%

- (c) No prepayment shall be required under paragraph (a) above if the amount of Excess Cashflow does not exceed €7,500,000 and, if the amount of Excess Cashflow does exceed €7,500,000 (the amount of the excess being the **excess amount**), the amount to be applied in prepayment shall be the relevant percentage (as determined in accordance with the table above) of such excess amount.
- (d) Any prepayment under this Clause must be made not later than ten Business Days after the date in which the annual audited consolidated Accounts of the Parent establishing that there has been Excess Cashflow are delivered to the Facility Agent or, at the Parent's election and subject to Clause 10.10 (Payment into a mandatory prepayment account), at the end of the then current Interest Period.

10.8 Mandatory prepayment—securitisation and receivables financing

If any member of the Group receives any proceeds from any Permitted Securitisation, Permitted Receivables Financing or Permitted Sale and Leaseback (after deducting Taxes (and amounts reasonably reserved in respect of Taxes) payable by members of the Group and the proper costs and reasonable expenses incurred by members of the Group directly in connection with such Permitted Securitisation, Permitted Receivables Financing or Permitted Sale and Leaseback, the Parent must (or must procure that the relevant member of the Group shall) apply such amounts (which in the case of a Permitted Receivables Financing shall be an amount equal to the Applicable Receivables Financing Payment) towards prepaying the Credits (other than the Facility E Loans save to the extent provided in Clause 10.9 (Mandatory prepayment—Facility E)) within 5 Business Days of receipt of such amount.

10.9 Mandatory prepayment—Facility E

- (a) If any amount (the **Outstanding Amount**) of the Senior Secured Notes becomes repayable, prepayable or subject to repurchase or redemption prior to its originally scheduled maturity under those Senior Secured Notes (other than by reason of acceleration of those Senior Secured Notes), an amount of Facility E Loans equal to the Outstanding Amount with the same scheduled maturity as those Senior Secured Notes being repaid, prepaid, redeemed or repurchased must at the same time be prepaid by the Borrowers of Facility E together with any amounts payable under Clause 10.22 (Facility E prepayment fees).
- (b) Any amount to be applied in mandatory prepayment pursuant to this Clause 10.9 must be applied against Facility E Loans only with the same scheduled maturity as the underlying Senior Secured Notes due for early repayment, prepayment, repurchase or redemption.
- (c) Notwithstanding any provision to the contrary, no amount required to be applied in mandatory prepayment under this Clause 10 (other than under this Clause 10.9) will be applied against Facility E.

10.10 Payment into a mandatory prepayment account

- (a) In this Clause, **mandatory prepayment account** means an interest bearing account in the name of the relevant Borrower with the Security Agent and subject to a first-ranking fixed Security Interest in favour of the Finance Parties.
- (b) If it is established that a Borrower will be required to prepay Credits under this Clause 10, the Parent may choose (but shall not be obliged) to deposit in a mandatory prepayment account an amount equal to the amounts to be prepaid.
- (c) Each Borrower irrevocably authorises the Facility Agent to apply any amount deposited with it under paragraph (b) towards prepayment of the Credits on the last day of the relevant Interest Period(s) or earlier if the Parent so directs.
- (d) Amounts standing to the credit of a mandatory prepayment account may only be used to prepay Credits as contemplated by this Clause 10.

10.11 Voluntary prepayment

- (a) Subject to Clauses 10.15(b) and (c) (Application between Term Loan Facilities and Revolving Credit Facility), any Borrower may, by giving not less than five Business Days' prior notice to the Facility Agent, prepay (or procure prepayment of) any Credit (provided that a Facility D Loan may not be repaid unless all of the other Credits have been irrevocably repaid in full and the relevant Commitments have been cancelled) at any time in whole or in part.
- (b) A prepayment of part of a Credit must be in a minimum amount of €2,500,000 (or its equivalent in another currency) or such lesser amount as may be outstanding or such other amount as may be agreed by the Facility Agent (acting on the instructions of the Majority Lenders).

10.12 Automatic cancellation

The Commitments of each Lender under each Facility or, in the case of the Facility E Lender, under each Facility E Tranche will be automatically cancelled at the close of business in London on the last day of the Availability Period for that Facility or, as the case may be, Facility E Tranche to the extent undrawn at that date.

10.13 Voluntary cancellation

- (a) The Parent may, by giving not less than five Business Days' prior notice to the Facility Agent, cancel the unutilised amount of the Total Commitments in whole or in part.
- (b) Partial cancellation of the Commitments under any Facility pursuant to this Clause 10.13 must be in a minimum amount of €2,500,000 (or its equivalent in another currency) or such lesser amount as may be undrawn and uncanceled or such other amount as may be agreed by the Facility Agent (acting on the instructions of the Majority Lenders).
- (c) Any cancellation in part of the Commitments under any Facility pursuant to this Clause 10.13 will be applied against the Commitment of each Lender in that Facility *pro rata*.

10.14 Right of repayment and cancellation of a single Lender

- (a) If an Obligor is, or will be, required to pay to a Lender:
 - (i) a Tax Payment; or
 - (ii) an Increased Cost,

the Parent may, while the requirement continues, give notice to the Facility Agent requesting prepayment by the relevant Borrower of that Lender's share of the affected Credits utilised by that Borrower and cancellation of the corresponding Commitments of that Lender.
- (b) After notification under paragraph (a) above:
 - (i) that Borrower must repay or prepay that Lender's share in each affected Credit utilised by it on the date specified in paragraph (c) below; and
 - (ii) those Commitments of that Lender will be immediately cancelled.
- (c) The date for repayment or prepayment of a Lender's share in a Credit will be:
 - (i) the last day of the current Interest Period for that Loan or in the case of a Letter of Credit, ten Business Days after the date of the notification; or
 - (ii) if earlier, the date specified by the Parent in its notification.

10.15 Application between Term Loan Facilities and Revolving Credit Facility

- (a) Any amount to be applied in mandatory prepayment of Credits under this Clause 10 must be applied:
- (i) **first**, subject to paragraphs (b) and (c) below, in prepayment of the Term Loans (other than the Facility D Loans) and the Capex/Restructuring Loans *pro rata* and any amounts so reduced may not be reutilised and the relevant Commitments of the Lenders will be reduced *pro rata*;
 - (ii) **secondly**, in prepayment of the Revolving Credit Loans (or if no amounts are outstanding in cancellation of the Revolving Credit Commitments) and any amounts so reduced may not be reutilised and the Revolving Credit Commitments of the Lenders will be reduced *pro rata*;
 - (iii) **thirdly**, in prepayment of Letters of Credit issued under the Revolving Credit Facility;
 - (iv) **fourthly**, in prepayment of the Ancillary Outstandings *pro rata* and any amounts so reduced may not be reutilised and the Ancillary Commitments of the Ancillary Lenders will be reduced *pro rata*; and
 - (v) **lastly**, in prepayment of the Facility D Loans *pro rata*.
- (b) In the case of any partial prepayment (whether mandatory or voluntary) of the Casema B Term Loans or the Casema C Term Loans or the Kabelcom B Term Loans or the Kabelcom C Term Loans (but not in the case of a prepayment in full) any Lender having a participation in such Term Loans then outstanding may upon three Business Days' prior written notice to the Facility Agent decline to accept such prepayment of its participation in such Term Loans (the amount of such prepayment being the **Declined Amount**). In such case, the Declined Amount shall be applied in repayment of:
- (i) **first**, in prepayment of the Casema A Term Loans, the Kabelcom A Term Loans and the Capex/Restructuring Loans (in any manner as the Parent elects) and any amounts so reduced may not be reutilised and the relevant Commitments of the Lenders will be reduced *pro rata*;
 - (ii) **secondly**, in prepayment of the Revolving Credit Loans (or if no amounts are outstanding in cancellation of the Revolving Credit Commitments) and any amounts so reduced may not be reutilised and the Revolving Credit Commitments of the Lenders will be reduced *pro rata*;
 - (iii) **thirdly**, in prepayment of Letters of Credit issued under the Revolving Credit Facility;
 - (iv) **fourthly**, in prepayment of the Ancillary Outstandings *pro rata* and any amounts so reduced may not be reutilised and the Ancillary Commitments of the Ancillary Lenders will be reduced *pro rata*; and
 - (v) **lastly**, in prepayment of the Facility D Loans *pro rata*.

An amendment or waiver which relates to this paragraph (b) may only be made with the consent of all the Lenders having a participation in the Casema B Term Loans or the Casema C Term Loans or the Kabelcom B Term Loans or the Kabelcom C Term Loans.

- (c) Any partial prepayment (whether mandatory or voluntary) of the Loans under a Facility (other than Facility E) will be applied *pro rata* against those Loans under that Facility and against any outstanding Repayment Instalments under that Facility except that the Parent may elect (upon two Business Days prior written notice to the Facility Agent) that any amount to be applied in prepayment of:
- (i) the Casema A Term Loans or Kabelcom A Term Loans is applied in chronological order against the remaining scheduled Repayment Instalments due within 24 months from the date such prepayment is required to be made and then *pro rata* against the remaining scheduled Repayment Instalments; or

- (ii) the Casema B Term Loans or the Casema C Term Loans or the Kabelcom B Term Loans or the Kabelcom C Term Loans or the Capex/Restructuring Loans is applied in chronological order against the remaining scheduled Repayment Instalments for the relevant Facility.
- (d) Where there is a mandatory or involuntary prepayment of a Credit, the relevant Commitments will, at the same time, be permanently reduced by the amount prepaid.
- (e) Where a mandatory or involuntary prepayment of a Revolving Credit Utilisation is required but there is no Revolving Credit Utilisation to be prepaid, the Revolving Credit Commitment will be reduced by the amount which would have been required to be applied in prepayment of the Revolving Credit Utilisations had they been outstanding at that time.

10.16 Prepayments and payments subject to law

- (a) If any obligation of the Parent or any Borrower under Clauses 10.4 (Mandatory prepayment—disposals), 10.5 (Mandatory prepayment—insurance proceeds), 10.6 (Mandatory prepayment—vendor warranties and report proceeds), 10.7 (Mandatory prepayment—Excess Cashflow), 10.8 (Mandatory prepayment—securitisation and receivables financing) to prepay the Credits:
 - (i) would be unlawful or would result in a breach of any fiduciary or statutory duty of the relevant officers or directors of any relevant member of the Group or give rise to any risk of personal liability of such officers or directors in relation to such payment (or making of that deposit), or the movement of moneys within the Group required to facilitate such prepayment would be unlawful or in breach of the fiduciary or statutory duties of the officers or directors of the relevant member of the Group or give rise to any risk of personal liability of such officers or directors in relation to such payment; or
 - (ii) would (or the movement of moneys within the Group to facilitate such prepayment would) involve the incurrence of taxes, arm's length transmission, foreign exchange or other costs which are material in the context of the amount which is required to be prepaid (and for this purpose, material means that the aggregate amount of such taxes, arm's length transmission, foreign exchange or other costs exceed five per cent. of the amount to be prepaid),

there will be no obligation to make that prepayment until that impediment no longer applies and such amounts shall be available for the working capital purposes of the Group provided that the Parent shall use all reasonable endeavours to overcome any such restrictions and/or minimise any such costs of prepayment (including prepaying other Credits and/or using free cash elsewhere in the Group to make the prepayment).

- (b) If at any time any restriction referred to in paragraph (a) above no longer applies, the Parent shall (or shall procure that the Borrowers shall) apply the relevant amount which should have been applied in prepayment of the Credits in prepayment of the relevant Credits at the end of the Interest Period immediately following the date on which such restrictions ceased to apply.

10.17 Partial prepayment of Term Loans

No amount of any Term Loan prepaid under this Agreement may subsequently be re-borrowed.

10.18 Re-borrowing of Revolving Credit Utilisations

Any voluntary prepayment of a Revolving Credit Utilisation may be re-borrowed on the terms of this Agreement. Any other prepayment of a Revolving Credit Utilisation may not be re-borrowed.

10.19 Facility D prepayment fees

- (a) In the event of any prepayment of the Casema D Term Loans made before the first anniversary of the Casema Closing Date, the Parent shall (or shall procure that the relevant Borrowers shall) pay a prepayment fee in an amount equal to 2% of the principal amount prepaid. In the event of any prepayment of the Casema D Term Loans made on or after the first anniversary of the Casema Closing Date but before the second anniversary of the Casema Closing Date, the Parent shall (or shall procure

that the relevant Borrowers shall) pay a prepayment fee in an amount equal to 1% of the principal amount prepaid.

- (b) In the event of any prepayment of the Kabelcom D Term Loans made before the first anniversary of the Kabelcom Closing Date, the Parent shall (or shall procure that the relevant Borrowers shall) pay a prepayment fee in an amount equal to 2% of the principal amount prepaid. In the event of any prepayment of the Kabelcom D Term Loans made on or after the first anniversary of the Kabelcom Closing Date but before the second anniversary of the Kabelcom Closing Date, the Parent shall (or shall procure that the relevant Borrowers shall) pay a prepayment fee in an amount equal to 1% of the principal amount prepaid.
- (c) No fees will be payable under paragraphs (a) or (b) above if such prepayment is made as a result of:
 - (i) an Obligor being obliged to repay any amount in accordance with Clause 10.1 (Mandatory prepayment—illegality) or to pay additional amounts pursuant to Clause 14.1 (Tax gross-up) or Clause 15 (Increased Costs) to any Lender in excess of amounts payable to the other Lenders generally; or
 - (ii) any payment made to a Lender pursuant to Clause 10.14 (Right of repayment and cancellation of a single Lender) and Clause 29.5 (Replacement of Lender).
- (d) In the event of a refinancing of all of the Facilities in which one or more Lender(s) participate, a prepayment fee shall only be payable under paragraphs (a) or (b) above on the amount, if any, by which the principal amount of the Casema D Term Loans and/or Kabelcom D Term Loans repaid to such Lender(s) exceeds such Lender(s) commitment under any equivalent facility or tranche in such refinancing. If any Lender(s) do not participate in any such refinancing, the fees set out in paragraphs (a) and (b) shall be payable to such Lender(s) in full.

10.20 Cancellation of Kabelcom Term Loan Commitments

- (a) Notwithstanding any other term of this Agreement, if any member of the Group is required to prepay any Term Loan prior to the last day of the Availability Period for the Kabelcom Term Loan Facilities in accordance with any other provision of this Clause 10, such prepayment shall only be required to be applied to the Casema Term Loans and no amount of the Kabelcom Term Loan Commitments shall be cancelled on or prior to the last day of the Availability Period for each of the Kabelcom Term Loan Facilities unless the Kabelcom Acquisition lapses, terminates or otherwise does not occur.
- (b) If any amount of the Kabelcom D Term Loan Commitments are cancelled on or prior to the last day of the Availability Period for each of the Kabelcom Term Loan Facilities, the Parent shall (or shall procure that any other Obligor shall) pay a cancellation fee in an amount equal to 2% of the amount cancelled provided that no such fee shall be payable if the Kabelcom Closing Date does not occur.

10.21 Miscellaneous provisions

- (a) Any notice of prepayment and/or cancellation under this Agreement is irrevocable and must specify the relevant date(s) and the affected Credits and Commitments. The Facility Agent must notify the Lenders promptly of receipt of any such notice.
- (b) All prepayments under this Agreement must be made with accrued interest on the amount prepaid. No premium or penalty is payable in respect of any prepayment except for Break Costs or as set out in Clause 10.19 (Facility D prepayment fees) or Clause 10.22 (Facility E prepayment fees).
- (c) The Majority Lenders (under each Facility to be prepaid or cancelled) may agree a shorter notice period for a voluntary prepayment or a voluntary cancellation.
- (d) No prepayment or cancellation is allowed except in accordance with the express terms of this Agreement.
- (e) No amount of the Total Commitments cancelled under this Agreement may subsequently be reinstated.

10.22 Facility E prepayment fees

If as result of an early repayment, prepayment, repurchase or redemption of Senior Secured Notes in relation to which a mandatory prepayment is required under Clause 10.9 (Mandatory prepayment—Facility E), an amount (an **Underlying Amount**) of make-whole, call protection or other premium is payable to the holders of those notes by the Facility E Lender, the Parent must, at the same time such mandatory prepayment is due, pay an amount equal to such make-whole, call protection or other premium amount to the Facility E Lender calculated on the basis notified by the Facility E Lender under Clause 2.15(g)(ii) (Facility E).

11. INTEREST

11.1 Calculation of interest

- (a) The rate of interest on each Loan (other than a Facility E Loan) for each Interest Period is the percentage rate per annum equal to the aggregate of the applicable:
 - (i) Margin;
 - (ii) EURIBOR; and
 - (iii) Mandatory Cost (if any).
- (b) The rate of interest on each Facility E Loan for each Interest Period is the rate of interest applicable to the underlying Senior Secured Notes that funded that Facility E Loan plus any incremental *de minimis* margin required under any applicable law or regulation in order to obtain or maintain a tax exempt status of the Facility E Lender as notified to the Facility Agent in accordance with Clause 2.15(g) (Facility E).

11.2 Payment of interest

Except where it is provided to the contrary in this Agreement, each Borrower must pay accrued interest on each Loan made to it on the last day of each Interest Period and also, if the Interest Period is longer than six months, on the dates falling at six-monthly intervals after the first day of that Interest Period.

11.3 Margin adjustments

- (a) Subject to paragraphs (b) and (c) below, the Margin in respect of each Casema A Term Loan, each Kabelcom A Term Loan, each Casema B Term Loan, each Kabelcom B Term Loan, each Revolving Credit Loan and each Capex/Restructuring Loan will be determined by reference to the relevant table set out in Schedule 16 (Margin Ratchet) and the information set out in the relevant Compliance Certificate with effect from the fifth Business Day after the date of delivery of that Compliance Certificate.
- (b) For so long as:
 - (i) the Parent is in default of its obligation under this Agreement to provide a Compliance Certificate; or
 - (ii) an Event of Default is outstanding,

the applicable Margin in respect of the Margin Adjustment Loans will be the highest applicable rate for the relevant Facility set out in the relevant table set out in Schedule 16 (Margin Ratchet).

- (c) If the applicable Margin has been determined under this Clause in reliance on any Compliance Certificate (the **relevant Compliance Certificate**) which was based on the unaudited fourth quarter management Accounts of the Parent but the annual audited Accounts of the Group for the period covered by the relevant Compliance Certificate show that a different Margin should have applied, the applicable Margin for the relevant Facilities will instead be that calculated by reference to such annual audited Accounts. If, in this event, any amount of interest (or any amount of Letter of Credit fee) which

should otherwise have been paid by a Borrower on the basis of the relevant Compliance Certificate has not been paid, that Borrower must within five Business Days pay to the Facility Agent any shortfall in that amount as compared to that which would have been paid to the Lenders if the applicable Margin for the relevant Facilities had been calculated by reference to the relevant annual audited Accounts. If, however, the Borrowers have overpaid any amount of interest (or any amount of Letter of Credit fee) on the basis of the relevant Compliance Certificate, the amount of such overpayment shall be credited against the amount of interest to be paid at the end of then current Interest Period (and, if necessary, any subsequent Interest Period).

- (d) Any moneys received or recovered as a result of an adjustment to the Margin pursuant to this Clause shall be reimbursed on a *pro rata* basis amongst the Lenders participating in the relevant Credits under the relevant Facilities as at the date of such receipt or recovery.

11.4 Interest on overdue amounts

- (a) If an Obligor fails to pay any amount payable by it under the Senior Finance Documents, it must immediately on demand by the Facility Agent pay interest on the overdue amount from its due date up to the date of actual payment, both before, on and after judgment.
- (b) Interest on an overdue amount is payable at a rate determined by the Facility Agent to be one per cent. per annum above the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan having the same designation and in the same currency as the Loan or Facility to which the overdue amount is in the reasonable opinion of the Facility Agent referable. For this purpose, the Facility Agent may (acting reasonably):
 - (i) select successive Interest Periods of any duration up to three months; and
 - (ii) determine the appropriate Rate Fixing Day for that Interest Period.
- (c) Notwithstanding paragraph (b) above, if the overdue amount is a principal amount of a Loan and becomes due and payable prior to the last day of its current Interest Period, then:
 - (i) the first Interest Period for that overdue amount will be the unexpired portion of that Interest Period; and
 - (ii) the rate of interest on the overdue amount for that first Interest Period will be one per cent. per annum above the rate then payable on that Loan.

After the expiry of the first Interest Period for that overdue amount, the rate on the overdue amount will be calculated in accordance with paragraph (b) above.

- (d) Notwithstanding paragraphs (b) and (c) above, interest on an overdue amount which is, in the reasonable opinion of the Facility Agent, referable to a Facility E Loan or a Facility E Tranche is payable at the default interest rate applicable to overdue amounts under the Senior Secured Note Documents relating to that Facility E Loan or Facility E Tranche. The Facility E Lender must notify the Facility Agent of that rate and the Interest Periods applicable to the relevant overdue amount before any such default interest becomes due. In the absence of such a notification, default interest will be determined and payable in accordance with paragraphs (b) and (c) above.
- (e) Interest (if unpaid) on an overdue amount will be compounded with that overdue amount at the end of each of its Interest Periods but will remain immediately due and payable.

11.5 Notification of rates of interest

The Facility Agent must promptly notify each relevant Party of the determination of a rate of interest under this Agreement.

12. INTEREST PERIODS

12.1 Selection—Term Loans

- (a) Each Term Loan has successive Interest Periods.
- (b) A Borrower (or the Parent on its behalf) must select the first Interest Period for a Term Loan in the relevant Request and each subsequent Interest Period in an irrevocable notice received by the Facility Agent not later than 11.00 a.m. one Business Day before the Rate Fixing Day for that Interest Period. Each Interest Period for a Term Loan will start on its Utilisation Date or on the expiry of its preceding Interest Period.
- (c) If a Borrower (or the Parent on its behalf) fails to select an Interest Period for an outstanding Term Loan under paragraph (b) above, that Interest Period will, subject to the other provisions of this Clause, be three months.
- (d) Subject to the following provisions of this Clause, each Interest Period for a Term Loan (other than a Facility E Loan) will be one, two, three or six months as selected by the relevant Borrower (or the Parent on its behalf) or any other period agreed by the Parent and the Lenders under the relevant Term Loan Facility.
- (e) The Interest Periods for a Facility E Loan will have the same duration as the periods in respect of which interest is payable under the underlying Senior Secured Notes that funded that Facility E Loan. The Parent must provide reasonable evidence of the periods in respect of which interest is payable under the relevant Senior Secured Notes.
- (f) Until the date which is the earlier of four months after the Casema Closing Date and the Syndication Date, the duration of each Interest Period shall be one month or such other period as may be agreed between the Parent and the Facility Agent (acting reasonably) so as to ensure that the Interest Periods for all Loans then outstanding end on such date.

12.2 Selection—Revolving Credit Loans

- (a) Each Revolving Credit Loan has one Interest Period only.
- (b) A Borrower (or Parent on its behalf) must select the Interest Period for a Revolving Credit Loan in the relevant Request.
- (c) Subject to the following provisions of this Clause, each Interest Period for a Revolving Credit Loan will be one, two, three or six months as selected by the relevant Borrower (or the Parent on its behalf) or any other period agreed by the Parent and the Lenders.
- (d) Until the date which is the earlier of four months after the Casema Closing Date and the Syndication Date, the duration of each Interest Period shall be one month or such other period as may be agreed between the Parent and the Facility Agent (acting reasonably) so as to ensure that the Interest Periods for all Loans then outstanding end on such date.

12.3 Consolidation and division of Term Loans

- (a) If an Interest Period for a Term Loan ends on the same day as the current Interest Period for any other Term Loan denominated in the same currency as that Term Loan and borrowed by that Borrower under the same Facility, then on the last day of those Interest Periods, those Term Loans will be consolidated and treated as one Term Loan unless the Borrower (or Parent on its behalf) specifies to the contrary in the notice(s) for the following Interest Period(s). No consolidation will be made in respect of Facility E Loans.
- (b) Subject to Clause 4.5 (Maximum number), if a Borrower (or the Parent on its behalf) requests in a Request that a Casema Term Loan or a Kabelcom Term Loan be divided into two or more Casema Term Loans or Kabelcom Term Loans (as the case may be) under the same Facility, the relevant Casema Term Loan or Kabelcom Term Loan will, on the last day of its Interest Period, be so divided.

12.4 Coincidence with Repayment Instalment dates

- (a) A Borrower may select any Interest Period of less than six months for a Term Loan (and may re-designate any Term Loan as two Term Loans) to ensure that the aggregate amount of the Term Loans under a Facility with an Interest Period ending on a date for repayment of a Repayment Instalment relating to that Facility is not less than such Repayment Instalment.
- (b) If a Borrower fails to make a selection in the circumstances envisaged in paragraph (a) above, the Facility Agent may before the Rate Fixing Day for the relevant Interest Period shorten any Interest Period for a Term Loan (and may (subject to Clause 4.4 (Certain Funds Period)) designate any Term Loan as two Term Loans) to achieve the same result.
- (c) This Clause 12.4 shall not apply to Facility E Loans.

12.5 No overrunning the Final Maturity Date

If an Interest Period for any Loan would otherwise overrun the Final Maturity Date, it will be shortened so that it ends on that date.

12.6 Other adjustments

The Facility Agent and the Parent may enter into such other arrangements as they may agree for the adjustment of Interest Periods and the consolidation and/or splitting of Loans.

12.7 Notification

The Facility Agent must notify each relevant Party of the duration of each Interest Period promptly after ascertaining its duration.

13. MARKET DISRUPTION

13.1 Failure of a Reference Bank to supply a rate

If EURIBOR is to be calculated by reference to the Reference Banks but a Reference Bank does not supply a rate by 12.00 noon on a Rate Fixing Day, EURIBOR will, subject as provided below, be calculated on the basis of the rates of the remaining Reference Banks.

13.2 Market disruption

- (a) In this Clause, each of the following events is a **market disruption event**:
 - (i) EURIBOR is to be calculated by reference to the Reference Banks but no, or (where there is more than one Reference Bank) only one, Reference Bank supplies a rate by 12.00 noon on the Rate Fixing Day; or
 - (ii) the Facility Agent receives by close of business on the Rate Fixing Day notification from Lenders whose shares in the relevant Loan exceed 30 per cent. of that Loan that the cost to them of obtaining matching deposits in the relevant interbank market is in excess of EURIBOR for the relevant currency and Interest Period.
- (b) The Facility Agent must promptly notify the Parent and the Lenders of a market disruption event.
- (c) After notification under paragraph (b) above, the rate of interest on each Lender's share in the affected Loan for the relevant Interest Period will be the aggregate of the applicable:
 - (i) Margin;
 - (ii) rate notified to the Facility Agent by that Lender as soon as practicable, and in any event before interest is due to be paid in respect of that Interest Period, to be that which expresses as

a percentage rate per annum the cost to that Lender of funding its share in that Loan from whatever source it may reasonably select; and

- (iii) Mandatory Cost (if any).

13.3 Alternative basis of interest or funding

- (a) If a market disruption event occurs and the Facility Agent or the Parent so requires, the Parent and the Facility Agent must enter into negotiations for a period of not more than 30 days with a view to agreeing an alternative basis for determining the rate of interest and/or funding for the affected Loan.
- (b) Any alternative basis agreed by the Parent and the Facility Agent will be, with the prior consent of all the Lenders, binding on all the Parties.

13.4 Market disruption in relation to Facility E

- (a) Clauses 13.1 to 13.3 (inclusive) above do not apply to any Facility E Loan.
- (b) If the Facility E Lender notifies the Facility Agent that a market disruption or other similar event has occurred under the Senior Secured Note Documents relating to a Facility E Loan, interest on that Facility E Loan will cease to be calculated in accordance with the interest rate notified under Clause 2.15(g) (Facility E) above in relation to that Facility E Loan and will instead be calculated at the rate specified in the notice from the Facility E Lender (but only for so long as the Facility E Lender notifies that that rate is to apply). The rate notified by the Facility E Lender must be equal to the rate payable in connection with the relevant underlying Senior Secured Notes (and the Facility E Lender must provide reasonable evidence of that rate), ignoring for this purpose any *de minimis* margin required under any applicable law or regulation in order to obtain or maintain a tax exempt status of the Facility E Lender.

14. TAXES

14.1 Tax gross-up

- (a) Each Obligor must make all payments to be made by it under the Senior Finance Documents without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) If an Obligor or a Lender is aware that an Obligor must make a Tax Deduction (or that there is a change in the rate or the basis of a Tax Deduction), it must promptly notify the Facility Agent. The Facility Agent must then promptly notify the affected Parties.
- (c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from the Obligor will be increased to an amount which (after making the Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) If an Obligor is required to make a Tax Deduction, that Obligor must make the minimum Tax Deduction allowed by law and must make any payment required in connection with that Tax Deduction within the time allowed by law.
- (e) Within 30 days of making either a Tax Deduction or a payment required in connection with a Tax Deduction, the Obligor making that Tax Deduction or payment must deliver to the Facility Agent for the relevant Finance Party evidence satisfactory to that Finance Party (acting reasonably) that the Tax Deduction has been made or (as applicable) the appropriate payment has been paid to the relevant taxing authority.

14.2 Tax indemnity

- (a) Except as provided below, each Obligor must indemnify a Finance Party against any loss or liability which that Finance Party (in its absolute discretion) determines will be or has been suffered (directly or indirectly) by that Finance Party for or on account of Tax in relation to a payment received or

receivable (or any payment deemed to be received or receivable) from that Obligor under a Senior Finance Document.

- (b) Paragraph (a) above does not apply to the extent a loss or liability is compensated for by a payment under Clause 14.1 (Tax gross-up), or to any Tax assessed on a Finance Party under the laws of the jurisdiction in which:

- (i) that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party has a Facility Office and is treated as resident for tax purposes; or
- (ii) that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable by that Finance Party. However, any payment deemed to be received or receivable, including any amount treated as income but not actually received by the Finance Party, such as a Tax Deduction, will not be treated as net income received or receivable for this purpose.

- (c) A Finance Party making, or intending to make, a claim under paragraph (a) above must promptly notify the Parent of the event which will give, or has given, rise to the claim.

14.3 Tax Credit

If an Obligor makes a Tax Payment and the relevant Finance Party (in its absolute discretion) determines that:

- (a) a Tax Credit is attributable to that Tax Payment; and
- (b) it has used and retained that Tax Credit,

the Finance Party must pay an amount to the Obligor which that Finance Party determines (in its absolute discretion) will leave it (after that payment) in the same after-tax position as it would have been if the Tax Payment had not been required to be made by the Obligor.

14.4 Stamp taxes

The Parent must pay and indemnify each Finance Party against any stamp duty, stamp duty land tax, registration or other similar Tax payable in connection with the entry into, performance or enforcement of any Senior Finance Document, except for any such Tax payable in connection with the entry into a Transfer Certificate.

14.5 Value added taxes

- (a) Any amount (including costs and expenses) payable under a Senior Finance Document by an Obligor is exclusive of any value added tax or any other Tax of a similar nature which might be chargeable in connection with that amount. If any such Tax is chargeable, the Obligor must pay to the Finance Party (in addition to and at the same time as paying that amount) an amount equal to the amount of that Tax.
- (b) The obligation of any Obligor under paragraph (a) above will be reduced to the extent that the Finance Party determines (acting reasonably) that it is entitled to repayment or a credit in respect of the Tax.

14.6 Facility E tax payments

If the Facility E Lender notifies the Facility Agent that a tax gross up payment or other similar payment is required under the Senior Secured Note Documents relating to a Facility E Tranche, the Parent must pay an amount equal to that payment on the later of (a) the Business Day before that payment is due under the Senior Secured Note Documents and (b) the date falling two Business Days after that notification. The Facility E Lender must provide reasonable evidence of the amount due under the Senior Secured Note Documents.

15. INCREASED COSTS

15.1 Increased Costs

Except as provided below in this Clause, the Parent must pay to a Finance Party the amount of any Increased Cost incurred by that Finance Party or any of its Affiliates as a result of:

- (a) the introduction of, or any change in, or any change in the interpretation, administration or application of, any law or regulation; or
- (b) compliance with any law or regulation made after the date of this Agreement.

15.2 Exceptions

The Parent need not make any payment for an Increased Cost to the extent that the Increased Cost is:

- (a) compensated for under another Clause or would have been but for an exception to that Clause;
- (b) attributable to a Finance Party or its Affiliate wilfully failing to comply with any law or regulation; or
- (c) attributable to the implementation or application of or compliance with the “International Convergence of Capital Measurement and Capital Standards, a Revised Framework” published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement (**Basel II**) or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates).

15.3 Claims

- (a) A Finance Party intending to make a claim for an Increased Cost must notify the Facility Agent of the circumstances giving rise to, and the amount of, the claim, following which the Facility Agent will promptly notify the Parent.
- (b) Each Finance Party must, as soon as practicable after a demand by the Facility Agent or the Parent, provide a certificate (containing calculations in reasonable detail) confirming the amount of its Increased Cost.

16. MITIGATION

16.1 Mitigation

- (a) Each Finance Party must, in consultation with the Parent, take all reasonable steps to mitigate any circumstances which arise and which result or would result in:
 - (i) any Tax Payment or Increased Cost being payable to that Finance Party;
 - (ii) that Finance Party being able to exercise any right of prepayment and/or cancellation under this Agreement by reason of any illegality; or
 - (iii) that Finance Party incurring any cost of complying with the minimum reserve requirements of the European Central Bank,including transferring its rights and obligations under the Senior Finance Documents to an Affiliate or changing its Facility Office.
- (b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Senior Finance Documents.

- (c) The Parent must indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of any step taken by it under this Clause.
- (d) A Finance Party is not obliged to take any step under this Clause if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

16.2 Conduct of business by a Finance Party

No term of the Senior Finance Documents will:

- (a) interfere with the right of any Finance Party to arrange its affairs (Tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it in respect of Tax or the extent, order and manner of any claim; or
- (c) oblige any Finance Party to disclose any information relating to its affairs (Tax or otherwise) or any computation in respect of Tax.

17. PAYMENTS

17.1 Place

Unless a Senior Finance Document specifies that payments under it are to be made in another manner, all payments by a Party (other than the Facility Agent) under the Senior Finance Documents must be made to the Facility Agent to its account at such office or bank:

- (a) in the principal financial centre of the country of the relevant currency; or
- (b) in the case of euro, in the principal financial centre of a Participating Member State or London,

as it may notify to that Party for this purpose by not less than five Business Days' prior notice.

17.2 Funds

Payments under the Senior Finance Documents must (unless otherwise expressly provided) be made to the Facility Agent for value on the due date at such times and in such funds as the Facility Agent may specify to the Party concerned as being customary at the time for the settlement of transactions in the relevant currency in the place for payment.

17.3 Distribution

- (a) Each payment received by the Facility Agent under the Senior Finance Documents for another Party must, except as provided below, be made available by the Facility Agent to that Party by payment (as soon as practicable after receipt) to its account with such office or bank:

- (i) in the principal financial centre of the country of the relevant currency; or
- (ii) in the case of euro, in the principal financial centre of a Participating Member State or London,

as it may notify to the Facility Agent for this purpose by not less than five Business Days' prior notice.

- (b) The Facility Agent may apply any amount received by it for an Obligor in or towards payment (as soon as practicable after receipt) of any amount due from that Obligor under the Senior Finance Documents or in or towards the purchase of any amount of any currency to be so applied.

- (c) Where a sum is paid to the Facility Agent under this Agreement for another Party, the Facility Agent is not obliged to pay that sum to that Party until it has established that it has actually received it. However, the Facility Agent may assume that the sum has been paid to it, and, in reliance on that assumption, make available to that Party a corresponding amount. If it transpires that the sum has not been received by the Facility Agent, that Party must immediately on demand by the Facility Agent refund any corresponding amount made available to it together with interest on that amount from the date of payment to the date of receipt by the Facility Agent at a rate calculated by the Facility Agent to reflect its cost of funds.

17.4 Currency

- (a) Unless a Senior Finance Document specifies that payments under it are to be made in a different manner, the currency of each amount payable under the Senior Finance Documents is determined under this Clause.
- (b) Interest is payable in the currency in which the principal amount in respect of which it is payable is denominated.
- (c) A repayment or prepayment of any Letter of Credit or principal amount is payable in the currency in which that Letter of Credit or principal amount is denominated on its due date.
- (d) Amounts payable in respect of Taxes, fees, costs and expenses are payable in the currency in which they are incurred.
- (e) Each other amount payable under the Senior Finance Documents is payable in the Base Currency.

17.5 No set-off or counterclaim

All payments made by an Obligor under the Senior Finance Documents must be calculated and made without (and free and clear of any deduction for) set-off or counterclaim.

17.6 Business Days

- (a) If a payment under the Senior Finance Documents is due on a day which is not a Business Day, the due date for that payment will instead be the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) During any extension of the due date for payment of any principal under this Agreement interest is payable on that principal at the rate payable on the original due date.

17.7 Partial payments

- (a) If the Facility Agent receives a payment insufficient to discharge all the amounts then due and payable by the Obligors under the Senior Finance Documents, the Facility Agent must apply that payment towards the obligations of the Obligors under the Senior Finance Documents in the following order:
 - (i) **first**, in or towards payment *pro rata* of any unpaid fees, costs and expenses of the Administrative Parties under the Senior Finance Documents;
 - (ii) **secondly**, in or towards payment *pro rata* of any accrued interest or fees due but unpaid under this Agreement (other than any accrued interest or fees due in respect of the Facility D Facilities) or under any Ancillary Document;
 - (iii) **thirdly**, in or towards payment *pro rata* of any principal amount due but unpaid under this Agreement in respect of the Term Loans (other than the Facility D Loans) and the Capex/Restructuring Loans and payments due but unpaid to any Hedging Bank under the Hedging Documents;

- (iv) **fourthly**, in or towards payment *pro rata* of any principal amount due but unpaid under this Agreement in respect of the Revolving Credit Loans;
 - (v) **fifthly**, in or towards payment *pro rata* of any principal amount due but unpaid under this Agreement in respect of the Ancillary Outstandings;
 - (vi) **sixthly**, in or towards payment *pro rata* of any accrued interest or fees due but unpaid under this Agreement in respect of the Facility D Facilities;
 - (vii) **seventhly**, in or towards payment *pro rata* of any principal amount due but unpaid under this Agreement in respect of the Facility D Loans; and
 - (viii) **lastly**, in or towards payment *pro rata* of any other sum due but unpaid under the Senior Finance Documents.
- (b) The Facility Agent must, if so directed by the Majority Lenders (and if relating to any payment under sub-paragraphs (a) (vi) or (vii), the Majority Facility D Lenders), vary the order set out in sub-paragraphs (a)(ii) to (viii) above.
- (c) This Clause will override any appropriation made by an Obligor.

17.8 Timing of payments

If a Senior Finance Document does not provide for when a particular payment is due, that payment will be due within three Business Days of demand by the relevant Finance Party.

18. GUARANTEE AND INDEMNITY

18.1 Guarantee and indemnity

Each Guarantor jointly and severally and irrevocably and unconditionally:

- (a) guarantees to each Finance Party due and punctual performance by each other Obligor of all its obligations under the Senior Finance Documents;
- (b) undertakes with each Finance Party that, whenever any other Obligor does not pay any amount when due under or in connection with any Senior Finance Document, it must immediately on demand by the Facility Agent pay that amount as if it were the principal obligor in respect of that amount; and
- (c) indemnifies each Finance Party immediately on demand against any loss or liability suffered by that Finance Party if any obligation expressed to be guaranteed by it is or becomes unenforceable, invalid or illegal; the amount of the loss or liability under this indemnity will be equal to the amount the Finance Party would otherwise have been entitled to recover.

18.2 Continuing guarantee

This guarantee is a continuing guarantee (and not a suretyship (*borgtocht*)) and will extend to the ultimate balance of all sums payable by any Obligor under the Senior Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

18.3 Reinstatement

- (a) If any discharge (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) or arrangement is made in whole or in part on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation, administration or otherwise without limitation, the liability of each Guarantor under this Clause will continue or be reinstated as if the discharge or arrangement had not occurred.

- (b) Each Finance Party may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

18.4 Waiver of defences

The obligations of each Guarantor under this Clause will not be affected by any act, omission or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Clause (whether or not known to it or any Finance Party). This includes:

- (a) any time or waiver granted to, or composition with, any person;
- (b) any release of any person under the terms of any composition or arrangement;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person;
- (d) any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person;
- (f) any amendment (however fundamental) of a Senior Finance Document or any other document or security;
- (g) any unenforceability, illegality, invalidity or non-provability of any obligation of any person under any Senior Finance Document or any other document or security or the failure by any member of the Group to enter into or be bound by any Senior Finance Document; or
- (h) any insolvency or similar proceedings.

18.5 Immediate recourse

- (a) Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other right or security or claim payment from any person or file any proof or claim in any insolvency, administration, winding-up or liquidation proceedings relative to any other Obligor or any other person before claiming from that Guarantor under this Clause.
- (b) This waiver applies irrespective of any law or any provision of a Senior Finance Document to the contrary.

18.6 Appropriations

Until all amounts which may be or become payable by the Obligors under or in connection with the Senior Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may without affecting the liability of any Guarantor under this Clause:

- (a)
 - (i) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) against those amounts; or
 - (ii) apply and enforce them in such manner and order as it sees fit (whether against those amounts or otherwise); and
- (b) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of that Guarantor's liability under this Clause.

18.7 Non-competition

Unless:

- (a) all amounts which may be or become payable by the Obligors under or in connection with the Senior Finance Documents have been irrevocably paid in full; or
- (b) the Facility Agent otherwise directs,

no Guarantor will, after a claim has been made or by virtue of any payment or performance by it under this Clause:

- (i) be subrogated to any rights, security or moneys held, received or receivable by any Finance Party (or any trustee or agent on its behalf) or exercise such rights;
- (ii) be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of that Guarantor's liability under this Clause or exercise such rights;
- (iii) claim, rank, prove or vote as a creditor of any Obligor or its estate in competition with any Finance Party (or any trustee or agent on its behalf); or
- (iv) receive, claim or have the benefit of any payment, distribution or security from or on account of any Obligor, or exercise any right of set-off as against any Obligor.

Each Guarantor must hold in trust for and must immediately pay or transfer to the Facility Agent for the Finance Parties any payment or distribution or benefit of security received by it contrary to this Clause or in accordance with any directions given by the Facility Agent under this Clause.

18.8 Release of Guarantors' right of contribution

If any Guarantor ceases to be a Guarantor in accordance with the terms of the Senior Finance Documents for the purpose of any sale or other disposal of that Guarantor:

- (a) that Guarantor will be released by each other Guarantor from any liability whatsoever to make a contribution to any other Guarantor arising by reason of the performance by any other Guarantor of its obligations under the Senior Finance Documents; and
- (b) each other Guarantor will waive any rights it may have by reason of the performance of its obligations under the Senior Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any right of any Finance Party under any Senior Finance Document or of any other security taken under, or in connection with, any Senior Finance Document where the rights or security are granted by or in relation to the aspects of the retiring Guarantor.

18.9 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other security now or subsequently held by any Finance Party.

18.10 Limitations

Notwithstanding any other provisions of this Clause 18, the guarantee, indemnity or other obligations which are expressed to be assumed by a Guarantor in this Clause 18 shall not be assumed by any Guarantor to the extent that such guarantee, indemnity or other obligation would constitute unlawful financial assistance within the meaning of Sections 2:98c or 2:207(c) of the Dutch Civil Code (the **Prohibition**) and the provisions of this Agreement and the other Senior Finance Documents shall be construed accordingly. For the avoidance of doubt it is expressly acknowledged that the Guarantors will continue to guarantee all such obligations which, if included, do not constitute a violation of the Prohibition.

19. REPRESENTATIONS AND WARRANTIES

19.1 Representations and warranties

Save where otherwise provided, the representations and warranties set out in this Clause are made to each Finance Party by each Obligor.

19.2 Status

- (a) It is a limited liability company, duly incorporated and validly existing under the laws of its jurisdiction of incorporation.
- (b) It has the power to own its assets and carry on its business as it is being and will be conducted.

19.3 Powers and authority

It has the power to enter into and perform, and has taken all necessary action to authorise the entry into and performance of, the Transaction Documents to which it is or will be a party and the transactions contemplated by those Transaction Documents.

19.4 Legal validity

- (a) Subject to the Reservations, each Transaction Document to which it is a party is its legally binding, valid and enforceable obligation.
- (b) Subject to the Reservations, each Security Document to which it is a party creates the Security Interests which that Security Document purports to create and such Security Interests are valid and effective.
- (c) Each Senior Finance Document to which it is a party is in the proper form for its enforcement in the jurisdiction of its incorporation.

19.5 Non-conflict

The entry into and performance by it of, and the transactions contemplated by, the Transaction Documents to which it is or will be party do not and will not:

- (a) conflict with any law or regulation applicable to it in any material respect;
- (b) conflict with its constitutional documents; or
- (c) conflict with any document which is binding upon it or any of its assets or constitute a default or termination event (however described) under any such document, in each case to an extent or in a manner which has a Material Adverse Effect or would result in any liability on the part of any Finance Party to any third party or require the creation of any Security Interest over any asset in favour of a third party.

19.6 No default

- (a) No Event of Default (or, when this representation is made on the date of this Agreement only, no Default) is outstanding or is reasonably likely to result from the entry into, the performance of, or any transaction contemplated by, any Transaction Document.
- (b) No other event or circumstance is outstanding which constitutes (or with the expiry of a grace period, the giving of notice, the making of any determination or the satisfaction of any other applicable condition will constitute) a default or termination event (however described) or an event resulting in an obligation to create a Security Interest under any document which is binding on it or any of its assets, in each case, to an extent or in a manner which has had or would have a Material Adverse Effect.

19.7 Authorisations

Except for registration where required of each Security Document with the appropriate tax authority or public register, all authorisations required by it:

- (a) in connection with the entry into, performance, validity, enforceability and admissibility in evidence of, and the transactions contemplated by, the Transaction Documents have been (or will on the Casema Closing Date or the Kabelcom Closing Date (as the case may be) be) obtained or effected (as appropriate) and are (or will on the Casema Closing Date or the Kabelcom Closing Date (as the case may be) be) in full force and effect; and
- (b) to carry on its business in the ordinary course and in all material respects as it is being conducted have been obtained or effected (as appropriate) and are in full force and effect except where (i) failure to obtain or effect (as appropriate) any such authorisation or (ii) the fact that any such authorisation is not in full force and effect, does not have, or would not reasonably be expected to have, a Material Adverse Effect.

19.8 Original Financial Statements

- (a) As at the date of this Agreement, the Multikabel Original Financial Statements:
 - (i) have been prepared in accordance with IFRS consistently applied;
 - (ii) give a true and fair view of the consolidated financial condition and results of operations of the Multikabel Group as at and for the accounting period ended the date to which they were drawn up; and
 - (iii) do not include or consolidate the results of any company or business which is not part of the Multikabel Group (other than the Parent and Zesko B.V.).
- (b) As at the date of this Agreement and on the Casema Closing Date, the Casema Original Financial Statements:
 - (i) have been prepared in accordance with Dutch GAAP consistently applied;
 - (ii) give a true and fair view of the consolidated financial condition and results of operations of the Casema Group as at and for the accounting period ended the date to which they were drawn up; and
 - (iii) do not include or consolidate the results of any company or business which is not part of the Casema Group.
- (c) As at the date of this Agreement and on the Kabelcom Closing Date, the Kabelcom Original Financial Statements:
 - (i) have been prepared in accordance with IFRS consistently applied;
 - (ii) fairly present the consolidated financial condition and results of operations of the Kabelcom Group as at and for the accounting period ended the date to which they were drawn up; and
 - (iii) do not include or consolidate the results of any company or business which is not part of the Kabelcom Group.

19.9 Financial statements

- (a) Its latest Accounts supplied under this Agreement (taken together with any Reconciliation Statement accompanying them):
 - (i) have been prepared in accordance with the Accounting Standards consistently applied; and

- (ii) give a true and fair view of (if audited) or fairly present (if unaudited) its consolidated financial condition as at the Accounting Date to which they were drawn up, and the consolidated results of operations for the Accounting Period for which they were drawn up.
- (b) The budgets and forecasts supplied under this Agreement were arrived at after careful consideration, have been prepared in good faith on the basis of recent historical information and on the basis of assumptions which were reasonable as at the date they were prepared and supplied and were not misleading in any material respect.

19.10 Information Package

In the case of the Parent, Casema Bidco and Kabelcom Bidco only and as at the Syndication Date only:

- (a) as far as it is aware, the factual information contained in the Information Package was true and accurate in all material respects as at the date such information is expressed to be given;
- (b) the financial projections contained in the Information Package have been prepared on the basis of recent historical information and on the basis of assumptions that in its opinion, were reasonable as at the date they were made;
- (c) any expressions of opinion in the Information Package have been given after careful consideration and, in its opinion, were reasonable as at the date such expressions of opinion were made; and
- (d) as far as it is aware, no information has been omitted from the Information Package and no information has been withheld that results in the Information Package taken as a whole being untrue or misleading in any material respect as at the date the Information Package is stated to be given.

The Parent may make specific written disclosures in reasonable detail to the Facility Agent (to be received by the Facility Agent at least five Business Days prior to the Syndication Date) against the representations given in this Clause for the purpose of their repetition as at the Syndication Date and such representations will be deemed to be qualified by those written disclosures. For this purpose, the Arrangers shall give the Parent ten Business Days' prior notice of the intended Syndication Date.

19.11 Due Diligence Reports

- (a) In the case of the Parent and Casema Bidco only and as at the date of this Agreement and on the Syndication Date:
 - (i) as far as it is aware, the factual information contained in the Casema Due Diligence Reports (each taken as a whole) was true and accurate in all material respects as at the date such information is expressed to be given; and
 - (ii) as far as it is aware, no information has been withheld from the provider of any Casema Due Diligence Reports which might reasonably be expected to have a material effect on the contents of that Casema Due Diligence Report.
- (b) In the case of the Parent and Kabelcom Bidco only and as at the date of this Agreement and on the Syndication Date:
 - (i) as far as it is aware, the factual information contained in the Kabelcom Due Diligence Reports (each taken as a whole) was true and accurate in all material respects as at the date such information is expressed to be given; and
 - (ii) as far as it is aware, no information has been withheld from the provider of any Kabelcom Due Diligence Reports which might reasonably be expected to have a material effect on the contents of that Kabelcom Due Diligence Report.

- (c) The Parent may make specific written disclosures in reasonable detail to the Facility Agent (to be received by the Facility Agent at least five Business Days prior to the Syndication Date) against the representations given in this Clause for the purpose of their repetition as at the Syndication Date and (provided that such disclosures are not, in the opinion of the Arrangers, adverse to the interests of the Senior Finance Parties or the Mezzanine Finance Parties under the Finance Documents) such representations will be deemed to be qualified by those written disclosures. For this purpose, the Arrangers shall give the Parent ten Business Days' prior notice of the intended Syndication Date.

19.12 Litigation and labour disputes

- (a) No litigation, arbitration, expert determination, alternative dispute resolution or administrative proceedings are current or, to its knowledge, pending or threatened, which have had or, if adversely determined, would have a Material Adverse Effect.
- (b) No labour disputes against it are current or, to the best of its knowledge and belief, having made due and careful enquiry, threatened which have or would have a Material Adverse Effect.

19.13 Compliance with law

It has not breached any law or regulation which breach would have a Material Adverse Effect.

19.14 Ranking

- (a) Subject to the Reservations, under the laws of its jurisdiction of incorporation, and, if different, England and Wales, in force at the date of this Agreement, the claims of the Finance Parties against it under the Senior Finance Documents to which it is party rank and will rank at least *pari passu* with the claims of all its unsecured creditors save those whose claims are preferred by any bankruptcy, insolvency, liquidation or similar laws of general application.
- (b) Subject to the Reservations, the Security Interests created by it under the Security Documents have or will have first ranking priority and it is not subject to any prior ranking or *pari passu* ranking Security Interest (other than under Clauses 22.5(c)(iii) or 22.5(c)(vii) (Negative pledge)).

19.15 Intellectual Property Rights

It:

- (a) is the sole legal and beneficial owner of or has licensed to it on normal commercial terms all the Intellectual Property Rights which are material in the context of its business and which are required by it in order to carry on its business in all material respects as it is being conducted as at the date of this Agreement where failure to do so could reasonably be expected to have a Material Adverse Effect;
- (b) has taken all formal or procedural actions (including payment of fees) required to maintain those Intellectual Property Rights unless failure to do so could not reasonably be expected to have a Material Adverse Effect;
- (c) none of those Intellectual Property Rights is being infringed, nor (to its knowledge) is there any threatened infringement of any of those Intellectual Property Rights, in any respect which has a Material Adverse Effect; and
- (d) does not, in carrying on its business, infringe any Intellectual Property Rights of any third party in any respect which has a Material Adverse Effect.

19.16 Environment

- (a) It has obtained all Environmental Approvals required for the carrying on of its business as currently conducted and has at all times complied with:

- (i) the terms and conditions of such Environmental Approvals; and
- (ii) all other applicable Environmental Laws,

where, in each case, if not obtained or complied with the failure or its consequences would have a Material Adverse Effect. There are to its knowledge no circumstances that may prevent or interfere with such compliance in the future.

- (b) To its knowledge, there is no Environmental Claim pending or formally threatened against it and there are no past or present acts, omissions, events or circumstances that would form, or are reasonably likely to form, the basis of any Environmental Claim (including any arising out of the generation, storage, transport, disposal or release of any dangerous substance) against any member of the Group which, if adversely determined, would have a Material Adverse Effect.
- (c) The cost to the Group of compliance with Environmental Laws (including Environmental Approvals) is (to the best of its knowledge and belief, having made due and careful enquiry) adequately provided for in the Base Case Model.

19.17 Group Structure

- (a) In the case of the Parent only and as at the Casema Closing Date only, the Parent owns 100% of the issued share capital of Casema Bidco, Kabelcom Holdco and CBA.
- (b) In the case of Kabelcom Holdco only and as at the date of this Agreement only, it owns 100% of the issued share capital of Kabelcom Bidco.
- (c) In the case of the Parent and Casema Bidco only and as at the date of this Agreement and the Casema Closing Date, the Casema Structure Chart (assuming the Casema Acquisition has completed) is true, complete and accurate and shows the following information:
 - (i) all members of the Group, including current name and company registration number, its jurisdiction of incorporation and/or establishment, which member of the Group owns which shares and indicating whether a company is a Dormant Subsidiary or is not a company with limited liability;
 - (ii) all minority interests in any member of the Group and any person in which any member of the Group holds shares in its issued share capital or equivalent ownership interest of such person.
- (d) In the case of the Parent and Kabelcom Bidco only and as at the date of this Agreement and the Kabelcom Closing Date, the Kabelcom Structure Chart (assuming the Kabelcom Acquisition has completed) is true, complete and accurate and shows the following information:
 - (i) all members of the Group, including current name and company registration number, its jurisdiction of incorporation and/or establishment, which member of the Group owns which shares and indicating whether a company is a Dormant Subsidiary or is not a company with limited liability;
 - (ii) all minority interests in any member of the Group and any person in which any member of the Group holds shares in its issued share capital or equivalent ownership interest of such person.

19.18 Representations and warranties on the Acquisition Documents and Investor Documents

- (a)
 - (i) To the best of its knowledge, as at the date of this Agreement and the Casema Closing Date only, no representation or warranty (as qualified by any related disclosure letter or schedule to the Casema Acquisition Documents) given by any party in the Casema Acquisition Documents is untrue or misleading in any material respect.
 - (ii) The Casema Acquisition Documents contain all the material terms of the Casema Acquisition and the transactions referred to in the Casema Acquisition Documents.

- (iii) There have been no amendments or waivers to the Casema Acquisition Documents which are materially adverse to the interests of the Lenders and which have not been approved by the Arrangers (acting reasonably).
 - (iv) As at the Casema Closing Date only, all conditions precedent to the completion of the Casema Acquisition have been satisfied (or have been waived in a way that is not reasonably likely to be materially adverse to the interests of the Finance Parties under the Senior Finance Documents) other than payment of the purchase price.
- (b)
 - (i) To the best of its knowledge, as at the date of the Kabelcom Acquisition Documents and the Kabelcom Closing Date only, no representation or warranty (as qualified by any related disclosure letter or schedule to Kabelcom Acquisition Documents) given by any party in Kabelcom Acquisition Documents is untrue or misleading in any material respect.
 - (ii) The Kabelcom Acquisition Documents contain all the material terms of the Kabelcom Acquisition and the transactions referred to in Kabelcom Acquisition Documents.
 - (iii) There have been no amendments or waivers to the Kabelcom Acquisition Documents which are materially adverse to the interests of the Lenders and which have not been approved by the Arrangers (acting reasonably).
 - (iv) As at the Kabelcom Closing Date only, all conditions precedent to the completion of the Kabelcom Acquisition have been satisfied (or have been waived in a way that is not reasonably likely to be materially adverse to the interests of the Finance Parties under the Senior Finance Documents) other than payment of the purchase price.
- (c)
 - (i) The Investor Documents contain all the material terms of the arrangements between the Original Investors and members of the Group.
 - (ii) No representation or warranty (as qualified by any related disclosure letter or schedule to the Investor Documents) given by any party to the Investor Documents is untrue or misleading in any material respect.

19.19 Holding Companies

- (a) In the case of the Parent and CBA only, except as may arise under the Transaction Documents and the transactions in connection with the acquisition of PrimaCom Netherlands Holding B.V. by CBA on or around 7th December, 2005 and the financing thereof and in the case of the Parent, ownership of shares in CBA and Casema Bidco, as at the date of this Agreement neither the Parent nor CBA has any material liabilities or commitments (actual or contingent, present or future).
- (b) In the case of Casema Bidco only:
 - (i) except as may arise under the Transaction Documents and the payment of the Casema Acquisition Costs, as at the date of this Agreement, Casema Bidco does not have any material liabilities or commitments (actual or contingent, present or future); and
 - (ii) on the Casema Closing Date, Casema Bidco will become the legal and beneficial owner of all of the Casema Shares.
- (c) In the case of Kabelcom Holdco and Kabelcom Bidco only:
 - (i) except as may arise under the Transaction Documents and the payment of Kabelcom Acquisition Costs and (in the case of Kabelcom Holdco only) the ownership of the shares of Kabelcom Bidco, as at the date of this Agreement and as at the Kabelcom Closing Date, neither Kabelcom Holdco nor Kabelcom Bidco has any material liabilities or commitments (actual or contingent, present or future); and
 - (ii) on the Kabelcom Closing Date, Kabelcom Bidco will become the legal and beneficial owner of all of the Kabelcom Shares.

19.20 Assets

- (a) It is (or will be on the Casema Closing Date or the Kabelcom Closing Date, as the case may be) the sole legal and beneficial owner of the shares which it charges or purports to charge under any Security Document.
- (b) It owns or has leased or licensed to it all material assets necessary to conduct its business as it is being or will be conducted where failure to do so has or would have a Material Adverse Effect.

19.21 Dormant Subsidiaries

Each of the companies listed in Schedule 11 (Dormant Subsidiaries) does not trade (for itself or as agent for any person) and does not own, legally or beneficially, assets the value of which in aggregate equals or exceeds €50,000 (or its equivalent in any other currency).

19.22 Financial Indebtedness and Security Interests

- (a) No member of the Group has any Financial Indebtedness outstanding which is not expressly permitted by the terms of this Agreement.
- (b) No Security Interest exists over the whole or any part of the assets of any member of the Group except for those permitted under Clause 22.5 (Negative pledge).

19.23 Taxes on payments

- (a) It is not overdue in the filing of any Tax returns or filings relating to any material amount of Tax and it is not overdue in the payment of any material amount of, or in respect of, Tax (other than transfer Tax due in connection with the acquisition of CAI-Oosterhout B.V. in an amount not exceeding €1,000,000 which is being contested by Casema Opco).
- (b) So far as it is aware, after having made all reasonable enquiries, no claims or investigations by any Tax authority are being or are reasonably likely to be made or conducted against it which are reasonably likely to result in a liability of or claim against any member of the Group to pay any material amount of, or in respect of, Tax (other than transfer Tax due in connection with the acquisition of CAI-Oosterhout B.V. in an amount not exceeding €1,000,000 which is being contested by Casema Opco).
- (c) For Tax purposes, it is resident only in the jurisdiction of its incorporation.
- (d) As at the date of this Agreement, all amounts payable by it under the Senior Finance Documents may be made without any Tax Deduction.

19.24 Filings and Stamp duties

Except for registration of the Security Documents (where required) with, and any registration fees payable to, any tax authority or public register (in each case in respect of the registration of the Security Documents), under the laws of its jurisdiction of incorporation, it is not necessary that the Senior Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction and no stamp or registration duty or similar Tax or charge is payable in its jurisdiction of incorporation in respect of any Senior Finance Document.

19.25 Immunity

- (a) The entry into by it of each Senior Finance Document constitutes, and the exercise by it of its rights and performance of its obligations under each Senior Finance Document will constitute private and commercial acts performed for private and commercial purposes; and
- (b) it will not be entitled to claim immunity from suit, execution, attachment or other legal process in any proceedings taken in its jurisdiction of incorporation in relation to any Senior Finance Document.

19.26 No adverse consequences

- (a) It is not necessary under the laws of its jurisdiction of incorporation:
- (i) in order to enable any Finance Party to enforce its rights under any Senior Finance Document; or
 - (ii) by reason of the entry into any Senior Finance Document or the performance by it of its obligations under any Senior Finance Document,
- that any Finance Party should be licensed, qualified or otherwise entitled to carry on business in its jurisdiction of incorporation.
- (b) No Finance Party is or will be deemed to be resident, domiciled or carrying on business in its jurisdiction of incorporation by reason only of the entry into, performance and/or enforcement of any Senior Finance Document.

19.27 Jurisdiction/governing law

Subject to the Reservations:

- (a) its:
- (i) irrevocable submission under this Agreement to the jurisdiction of the courts of England;
 - (ii) agreement that this Agreement is governed by English law; and
 - (iii) agreement not to claim any immunity to which it or its assets may be entitled,
- are legal, valid and binding under the laws of its jurisdiction of incorporation; and
- (b) any judgment obtained in England will be recognised and be enforceable by the courts of its jurisdiction of incorporation.

19.28 Tax Status

No notice under Section 36 of the Tax Collection Act (*Invorderingswet 1990*) has been given by any member of the Group.

19.29 Centre of Main Interests

It has its Centre of Main Interests in its jurisdiction of incorporation and it has no Establishment in any other jurisdiction.

19.30 Telecommunications, Cable and Broadcasting Laws

It complies and has at all times complied in all material respects with all Telecommunications, Cable and Broadcasting Laws (but excluding, for these purposes only, breaches of Telecommunications, Cable and Broadcasting Laws which have been expressly waived by the relevant regulatory authority) unless failure to do so could not reasonably be expected to have a Material Adverse Effect.

19.31 Times for making representations and warranties

- (a) Unless otherwise specified, each of the representations and warranties set out in this Clause are made by each Original Obligor on the date of this Agreement.
- (b) Unless otherwise specified, each of the representations and warranties set out in this Clause (other than Clause 19.10 (Information Package) and 19.11 (Due Diligence Reports)) are made on the Casema

Closing Date and on the Kabelcom Closing Date by each Original Obligor and by each other member of the Group which has become an Obligor on or prior to that date.

- (c) The representations and warranties referred to in Clauses 19.2 (Status) to 19.6 (No default), 19.9 (Financial statements), 19.12 (Litigation and labour disputes), 19.14 (Ranking), 19.15 (Intellectual Property Rights) and 19.27 (Jurisdiction/governing law) are deemed to be repeated by:
- (i) each Additional Obligor and the Parent on the date on which that Additional Obligor becomes an Obligor; and
 - (ii) each Obligor on the date of each Request, on each Utilisation Date and on the first day of each Interest Period.
- (d) When a representation and warranty is deemed to be repeated, it is deemed to be made by reference to the circumstances existing at the time of repetition.

20. INFORMATION COVENANTS

20.1 Financial statements

- (a) The Parent must supply to the Facility Agent in sufficient copies for all the Lenders:
- (i) its audited consolidated financial statements for each annual Accounting Period;
 - (ii) if requested by the Facility Agent, the audited (if prepared) or unaudited financial statements of each other Obligor for each annual Accounting Period;
 - (iii) its unaudited consolidated management accounts for each quarterly Accounting Period; and
 - (iv) unless a Qualifying IPO has occurred, its unaudited consolidated management accounts for each monthly Accounting Period.
- (b) All Accounts must be supplied as soon as they are available and:
- (i) in the case of the Parent's audited consolidated Accounts, within 120 days (or 150 days in respect of the annual Accounts for the period ending 31st December, 2006);
 - (ii) in the case of any other Obligor's audited consolidated Accounts (if requested), within 120 days;
 - (iii) in the case of the Parent's unaudited consolidated quarterly management accounts, within 45 days or, in the case of the management accounts for the fourth quarter of any financial year or for the first financial quarter ending after the Casema Closing Date or the Kabelcom Closing Date, 60 days; and
 - (iv) in the case of the Parent's unaudited consolidated monthly management accounts, within 30 days (or, in the case of the management accounts for the first month ending after the Casema Closing Date or the Kabelcom Closing Date, 45 days),

of the end of the relevant Accounting Period.

20.2 Form and scope of financial statements

- (a) The Parent must ensure that all Accounts supplied under this Agreement:
- (i) give (if audited) a true and fair view of, or (if unaudited) fairly present, the financial condition (consolidated if it has Subsidiaries) of the relevant person as at the date to which those Accounts were drawn up and the results of operations for the Accounting Period then ended; and

- (ii) comprise at least a balance sheet, profit and loss account, cashflow statement and a Capital Expenditure statement for the Accounting Period then ended and (in the case of quarterly Accounts) the annual Accounting Period to date and the last four (or less, taking into account Clause 21.7 (Initial periods)) consecutive quarterly Accounting Periods.
- (b) Subject to paragraph (l) below, the Parent must ensure that all annual audited consolidated Accounts are prepared in accordance with the Accounting Standards, consistently applied.
- (c) Subject to paragraph (l) below, the Parent must ensure that all unaudited Accounts are prepared in accordance with or on a basis consistent in all material respects with the Accounting Standards, consistently applied, and show at least the information provided for in the New Base Case Model.
- (d) The Parent must ensure that each set of Accounts for an annual Accounting Period is accompanied by a report of the Chief Financial Officer:
 - (i) explaining the main financial issues arising during that period;
 - (ii) explaining any material changes against the New Base Case Model or, if a budget for that Accounting Period has been supplied under Clause 20.4 (Budget), that budget; and
 - (iii) comparing the financial performance for such period against the equivalent period in the previous financial year.
- (e) The Parent must ensure that each set of Accounts for an annual Accounting Period is accompanied by any letter addressed to the management of the Parent by the Auditors and accompanying those Accounts.
- (f) The Parent must notify the Facility Agent of any intended change to the manner in which any Accounts are prepared provided that the Finance Parties agree that Casema Bidco and each member of the Casema Group may convert the basis of its Accounts from Dutch GAAP to IFRS as contemplated by paragraph (l) below.
- (g) If requested by the Facility Agent, the Parent must promptly supply to the Facility Agent:
 - (i) a full description of any change notified under paragraph (f) above including any change resulting from the conversion from Dutch GAAP to IFRS referred to in paragraph (f) above; and
 - (ii) a statement (a **Reconciliation Statement**) signed by the Chief Financial Officer.
- (h) A Reconciliation Statement will show sufficient information, in such detail and format as may be reasonably required by the Facility Agent, to enable the Finance Parties:
 - (i) to make a proper comparison between the financial position shown by the set of Accounts prepared on the changed basis and its most recent audited consolidated Accounts delivered to the Facility Agent under this Agreement and prepared according to the relevant Accounting Standards (which until the first set of audited consolidated Accounts are delivered under this Agreement shall be, in the case of the Parent and the Multikabel Group, the Multikabel Original Financial Statements, or, in the case of Casema Bidco and each member of the Casema Group, the Casema Original Financial Statements, or, in the case of Kabelcom Holdco, Kabelcom Bidco and each member of the Kabelcom Group, the Kabelcom Original Financial Statements); and
 - (ii) to test the financial covenants in Clause 21 (Financial Covenants) as if the set of Accounts prepared on the changed basis had been prepared according to the Accounting Standards.
- (i) If requested by the Facility Agent, the Parent must enter into discussions for a period of not more than 30 days with a view to agreeing any amendments required to be made to this Agreement to place the Finance Parties in the same position as they would have been in if the change notified under

paragraph (f) above had not happened. Any agreement between the Parent and the Facility Agent with the prior consent of the Majority Lenders will be binding on all the Parties.

- (j) If no agreement is reached under paragraph (i) above on the required amendments to this Agreement, the Parent must ensure that each set of Accounts is accompanied by a Reconciliation Statement.
- (k) The Parent will procure that, if requested by the Facility Agent, the Auditors confirm to the Finance Parties the accuracy of the information in any Reconciliation Statement.
- (l) The Parent shall ensure that, not later than six months after the Casema Closing Date, each of Casema Bidco and each member of the Casema Group shall change the basis of its Accounts from Dutch GAAP to IFRS. For each Accounting Period ending during the six month period immediately after the Casema Closing Date, the Accounts of Casema Bidco and each member of the Casema Group may be prepared in accordance with Dutch GAAP and during such period, the consolidated Accounts of the Parent which are required to be delivered under this Agreement in respect of each such Accounting Period may only consolidate the results of the Parent and the Multikabel Group in accordance with IFRS (and not, for the avoidance of doubt, Casema Bidco, the Casema Group, Kabelcom Holdco, Kabelcom Bidco or the Kabelcom Group).

20.3 Compliance Certificate

- (a) The Parent must supply to the Facility Agent:
 - (i) with each set of its annual and quarterly Accounts, a Compliance Certificate; and
 - (ii) with each set of its annual Accounts, a report of the Auditors addressed to the Finance Parties confirming that the numbers used in the Compliance Certificate have been properly extracted from the relevant annual Accounts (but only so long as the Auditors generally agree to give such confirmation).
- (b) A Compliance Certificate must be signed by two authorised signatories of the Parent (one of whom must be the Chief Financial Officer).

20.4 Budget

- (a) Unless a Qualifying IPO has occurred, the Parent must supply to the Facility Agent as soon as it is available and in any event not later than 30 days after the beginning of each annual Accounting Period a budget for the Group for that Accounting Period. The budget to be delivered under this paragraph in respect of the annual Accounting Period ending on 31st December, 2007 shall not be required to include a budget for the Kabelcom Group provided that the Parent shall procure that, not later than three months after the Kabelcom Closing Date, a revised budget is delivered for such Accounting Period which incorporates a budget for the Kabelcom Group.
- (b) The budget must be:
 - (i) prepared in the same manner as and show the information provided for in the New Base Case Model including a projected balance sheet, projected profit and loss account, projected cash flow statement and projected Capital Expenditure together with a summary of all material assumptions and other bases upon which those projections were made for the relevant annual Accounting Period;
 - (ii) prepared on a basis consistent with IFRS; and
 - (iii) approved by the management board of the Parent.
- (c) If the Parent updates or changes the budget referred to above in any material respect, it must promptly deliver to the Facility Agent in sufficient copies for all the Lenders:
 - (i) an updated or changed budget; and

- (ii) a written explanation of the main changes in that budget.

20.5 Presentations

Once in every annual Accounting Period, at least two directors of the Parent (one of whom must be the Chief Financial Officer) must, if requested to do so by the Facility Agent, give a presentation (on a date and at a venue agreed with the Facility Agent) to the Finance Parties as to:

- (a) the on-going business and financial performance of the Group; and
- (b) any other matter which a Finance Party may reasonably request.

20.6 Auditors

- (a) The Parent must promptly appoint one of the firms named in the definition of **Auditors** to audit its consolidated annual financial statements.
- (b) The Parent may only replace its Auditors with the prior approval of the Facility Agent (acting on the instructions of the Majority Lenders), such approval not to be unreasonably withheld or delayed.
- (c) If the Facility Agent wishes to discuss the financial position of any member of the Group with the Auditors for the purposes of Clause 22.23 (Access), the Facility Agent may notify the Parent, stating the questions or issues which the Facility Agent wishes to discuss with the Auditors. In this event, the Parent must ensure that the Auditors are authorised.
 - (i) to discuss the financial position of each member of the Group with the Facility Agent on request from the Facility Agent; and
 - (ii) to disclose to the Facility Agent for the Finance Parties any information which the Facility Agent may reasonably request.

20.7 Information—miscellaneous

The Parent must supply to the Facility Agent, in sufficient copies for all the Lenders if the Facility Agent so requests:

- (a) at the same time as they are despatched, copies of all documents despatched by the Parent to its shareholders generally (or any class of them) or despatched by any member of the Group to its creditors generally (or any class of them);
- (b) promptly upon becoming aware of them, details of any litigation, arbitration or administrative proceedings which are current, threatened or pending and which have or might, if adversely determined, have a Material Adverse Effect;
- (c) promptly upon becoming aware of them, details of any claim or potential claim in an amount of €1,000,000 or more made by or against a member of the Group under the Casema Acquisition Documents or the Kabelcom Acquisition Documents and any allegation of breach of any Casema Acquisition Document or any Kabelcom Acquisition Document by any party to such documents;
- (d) promptly on receipt, copies of any financial statements or accounts of the Group and copies of any completion accounts delivered under the Casema Acquisition Documents and the Kabelcom Acquisition Documents;
- (e) promptly on request, an up to date copy of its shareholders' register (or the equivalent under the law of its jurisdiction of incorporation); and
- (f) promptly on request, such further information regarding the financial condition, assets and operations of the Group and/or any member of the Group (including any requested

amplification or explanation of any item in the Accounts, budgets or other material provided by any Obligor under this Agreement) as any Finance Party through the Facility Agent may reasonably request,

provided that, on and from the completion of a Qualifying IPO, the Parent will not be required to provide any information under this Clause 20.7 where the disclosure of such information would be restricted by any applicable law or regulation.

20.8 Notification of Default

- (a) Unless the Facility Agent has already been so notified by another Obligor, each Obligor must notify the Facility Agent of any Default (and the steps, if any, being or proposed to be taken to remedy it) promptly upon becoming aware of its occurrence.
- (b) Promptly on request by the Facility Agent, the Parent must supply to the Facility Agent a certificate, signed by two of its authorised signatories on its behalf, certifying that no Default is outstanding or, if a Default is outstanding, specifying the Default and the steps, if any, being or proposed to be taken to remedy it.

20.9 Year end

The Parent must:

- (a) procure that each annual Accounting Period, and each financial year-end of each member of the Group, falls on the Accounting Date falling on or nearest to 31st December;
- (b) procure that its first annual Accounting Period falls on 31st December, 2006; and
- (c) procure that each quarterly Accounting Period and each financial quarter of each member of the Group ends on an Accounting Date.

20.10 Know your customer requirements

- (a) Each Obligor must promptly on the request of any Finance Party supply to that Finance Party any documentation or other evidence which is reasonably requested by that Finance Party (whether for itself, on behalf of any Finance Party or any prospective new Lender) to enable a Finance Party or prospective new Lender to carry out and be satisfied with the results of all applicable know your customer requirements.
- (b) Each Lender must promptly on the request of the Facility Agent, the Issuing Bank or the Security Agent supply to that Administrative Party any documentation or other evidence which is reasonably required by that Administrative Party to carry out and be satisfied with the results of all applicable know your customer requirements.

20.11 Note indentures and Proceeds Loan documents

The Parent must deliver to the Facility Agent promptly upon it becoming available a copy of each Senior Secured Note Indenture, each Senior Unsecured Note Indenture and any agreement documenting a Proceeds Loan.

21. FINANCIAL COVENANTS

21.1 Consolidated EBITDA to Consolidated Total Net Interest Payable

The Parent must ensure that in respect of the Measurement Period ending on each Test Date, the ratio of Consolidated EBITDA to Consolidated Total Net Interest Payable for such Measurement Period shall not be less than the level set out opposite the relevant Test Date in the Relevant Covenant Schedule.

21.2 Consolidated Cashflow to Consolidated Total Debt Service

Unless a Qualifying IPO has occurred, the Parent must ensure that in respect of the Measurement Period ending on each Test Date, the Consolidated Cashflow is at least equal to the Consolidated Total Debt Service for such Measurement Period.

21.3 Consolidated Total Net Borrowings to Adjusted Consolidated EBITDA

The Parent must ensure that as at each Test Date, the ratio of Consolidated Total Net Borrowings to Adjusted Consolidated EBITDA for the Measurement Period ending on that Test Date does not exceed the level set out opposite the relevant Test Date in the Relevant Covenant Schedule.

21.4 Maximum Capital Expenditure

Unless a Qualifying IPO has occurred, in respect of each period of 12 months ending on each Test Date set out in the Relevant Covenant Schedule (each an **Expenditure Period**), the Parent will procure that the Group taken as a whole will not make Capital Expenditure in excess of the amount (each a **Capital Expenditure Limit**) set out opposite the relevant Test Date in the Relevant Covenant Schedule provided that:

- (a) any amount of the Capital Expenditure Limit not utilised in any Expenditure Period may be carried forward for one Expenditure Period only and added (otherwise than for the purposes of the further application of this proviso) to the Capital Expenditure Limit for the next Expenditure Period. Any amount carried forward from one Expenditure Period to the next shall only be deemed to have been utilised after the original Capital Expenditure Limit for such next Expenditure Period has been utilised in full and if the amount carried forward is not spent within such following Expenditure Period it shall cease to be available; and
- (b) the amount of the Capital Expenditure Limit in any Expenditure Period may be increased by an amount equal to 50 per cent of the amount of the Capital Expenditure Limit for the next Expenditure Period and the Capital Expenditure Limit for the next Expenditure Period shall be reduced by the same amount.

21.5 Financial Covenant Definitions

Subject to Clause 21.7 (Initial periods), in this Agreement the following terms have the meanings set out below:

Adjusted Consolidated EBITDA means, in relation to a Measurement Period, Consolidated EBITDA for the period adjusted by:

- (a) **plus** the operating profit before interest, tax, depreciation, amortisation and impairment charges of a member of the Group (calculated with the same adjustments as are made in the definition of Consolidated EBITDA) or attributable to a business or assets acquired during the Measurement Period for that part of the Measurement Period when it was not a member of the Group and/or the business or assets were not owned by a member of the Group; and
- (b) **minus** any profits attributable to any member of the Group or to any business or assets sold during that Measurement Period.

Consolidated Cashflow for any Measurement Period means Consolidated EBITDA for such period adjusted as follows:

- (a) **minus** any increase or **plus** any decrease in Consolidated Net Working Investment between the Test Dates at the beginning and end of the Measurement Period;
- (b) **minus** all non-cash credits and **plus** all non-cash debits and other non-cash charges included in establishing Consolidated EBITDA for the period (to the extent not included in calculating Consolidated Net Working Investment as at the Test Date on which such period ends);

- (c) **plus** to the extent not included in Consolidated EBITDA or any other paragraph in this definition, the proceeds of any Permitted Equity Investment made for the purposes making of an Equity Cure deemed to have been made during that Measurement Period;
- (d) **plus** to the extent not included in Consolidated EBITDA or any other paragraph in this definition, the amount of any Net Disposal Proceeds, Net Flotation Proceeds, Net Insurance Proceeds and any Net Recovery Proceeds received by any member of the Group during that Measurement Period;
- (e) **plus** the amount (net of any applicable withholding tax) of any dividends or other profit distributions received in cash by any member of the Group during the period from any entity which is not itself a member of the Group (to the extent not already taken into account in calculating Consolidated EBITDA for the period) and **minus** the amount of all dividends or other distributions in respect of its shares or other ownership interests paid by any member of the Group in the period to any person who is not a member of the Group;
- (f) **minus** all Capital Expenditure and Restructuring Costs actually paid during that Measurement Period except to the extent funded out of Retained Excess Cashflow;
- (g) **minus** the aggregate of the consideration paid for any Permitted Acquisitions (except to the extent funded out of Permitted Equity Investments or Retained Excess Cashflow) and the amount of any Joint Venture Investment made or falling due for payment in cash during the period (except to the extent funded out of Retained Excess Cashflow);
- (h) **plus** any positive and **minus** any negative items received or which are paid or fall due for payment by any member of the Group in cash during the period which arise in relation to:
 - (i) disposals of non-current assets;
 - (ii) restructuring of the activities of an entity and reversals of any provisions for the costs of restructuring;
 - (iii) the disposal of assets associated with discontinued operations; or
 - (iv) reversals of any provision or impairment charge;
- (i) **plus** all cash receipts and **minus** all cash payments made in the period in relation to any post-employment benefit scheme to the extent not already taken into account in calculating Consolidated EBITDA for the period;
- (j) **plus** the amount of any rebate or credit in respect of any Tax on profits, gains or income actually received in cash by any member of the Group during the period and **minus** all amounts of Tax on profits, gains or income actually paid and/or which fell due for immediate payment during the period and **minus** the amount of any withholding tax withheld from any amount paid to any member of the Group which has been taken into account in calculating Consolidated EBITDA for the period (unless that withholding tax was not included in the calculation);
- (k) **after deducting** the amount of any cost savings and synergies included (as a result of subparagraph (a)(vi) of the definition of Consolidated EBITDA) in calculating Consolidated EBITDA;
- (l) **plus** the amount of any drawdowns under the Capex/Restructuring Facility during that period but only to the extent that such amounts have actually been used to fund any Permitted Capital Expenditure or Restructuring Costs;
- (m) (i) for the period until the first Test Date to occur after the date falling 12 months after the Casema Closing Date, Consolidated Cashflow shall **include** an amount which represents the amount of any overfunding by the Original Investors of the Casema Acquisition (such amount

to be notified to Facility Agent by the Parent in writing as part of the relevant “sources and uses” on or prior to the Casema Closing Date); and

- (ii) for the period until the first Test Date to occur after the date falling 12 months after the Kabelcom Closing Date, Consolidated Cashflow shall **include** an amount which represents the amount of any overfunding by the Original Investors of the Kabelcom Acquisition (such amount to be notified to Facility Agent by the Parent in writing as part of the “sources and uses” on or prior to the Kabelcom Closing Date),

provided that the maximum aggregate amount of any such overfunding which may count for the purposes of calculating Consolidated Cashflow under this paragraph (m) during the term of this Agreement is €10,000,000.

Consolidated EBITDA means, in relation to a Measurement Period, the aggregate of:

- (a) the consolidated operating profits of the Group (excluding the results from discontinued operations) before finance costs and tax for that period adjusted by:
 - (i) **taking no account of** gains or losses arising on;
 - (A) disposals of non-current assets;
 - (B) restructurings of the activities of an entity and reversals of any provisions for the costs of restructuring;
 - (C) the disposal of assets associated with discontinued operations; or
 - (D) reversals of any provision or impairment charge;
 - (ii) **not taking into account** any items treated as exceptional or extraordinary or non-recurring items;
 - (iii) **taking no account of** any unrealised gains or losses on any financial instrument (other than any derivative instrument which is accounted for on a hedge accounting basis) which is reported through the income statement;
 - (iv) **taking account of** all income or charges attributable to a post-employment benefit scheme including (A) current service costs, (B) any interest cost and expected return on plan assets, (C) any past service costs and curtailments and settlements and (D) all actuarial gains and losses attributable to the period whether recognised in the income statement or directly into equity;
 - (v) for the avoidance of doubt, **taking account of** any expense referable to equity-settled share-based compensation of employees;
 - (vi) **taking into account** any reasonable pro forma cost savings and synergies certified by the directors of the Parent as savings and synergies which they reasonably anticipate could be or could have been (for the part of the Measurement Period before the Permitted Acquisition actually occurs or the Restructuring Costs are paid) achieved as a result of any Permitted Acquisition or the payment of any Restructuring Costs;
 - (vii) **taking no account of** any depreciation, amortisation or charge for impairment charged in the period;
 - (viii) **taking no account of** any Transaction Costs;
 - (ix) where a member of the Group is not a wholly owned Subsidiary of the Parent, **deducting** an amount equal to the operating profit (before interest and tax and calculated using the same adjustments as are made in the definition of Consolidated

EBITDA) of that member which is attributable to the interests held by a person that is not a member of the Group; and

- (x) **adding back** the costs of modems in the Kabelcom Group to the extent they are expensed and not capitalised, irrespective of whether such capitalisation is permitted by the relevant Accounting Standards;
- (b) the Group's share of the profits of associates, joint ventures and minority interests in which a member of the Group has an interest for that period but limited to the amount (net of any withholding tax) actually received in cash by way of dividends or distributions by a member of the Group during that period in respect of that share; and
- (c) the amount of any Permitted Equity Investment made for the purposes of an Equity Cure deemed to have been made during that Measurement Period provided that the maximum aggregate amount of all such Permitted Equity Investments which are counted as Consolidated EBITDA during the term of this Agreement shall not exceed €10,000,000.

Consolidated Net Working Investment as at any Test Date (for which purpose, the first day of the month in which the Casema Closing Date actually occurs and the first day of the month in which the Kabelcom Closing Date actually occurs shall each be treated as a Test Date)) means Consolidated Current Commercial Assets minus Consolidated Current Commercial Liabilities, all as at such Test Date. For this purpose:

- (a) **Consolidated Current Commercial Assets** as at any Test Date means all of the current assets (other than Cash, Cash Equivalents, any credit receivable for Tax on profits, gains or income suffered, Interest receivable and repayments of Financial Indebtedness (within paragraph (a) and/or (c) of the definition of that term) receivable) of the Group as at such Test Date; and
- (b) **Consolidated Current Commercial Liabilities** as at any Test Date means all of the current liabilities (excluding any Financial Indebtedness within paragraphs (a), (b), (c), (d), (e), (f), (h), (i), (j) and/or (k) of the definition of that term (unless consisting of a liability in relation to items falling within paragraph (g) of that definition) and any accrued or unpaid Interest and any liabilities in respect of Tax on profits, gains or income and dividends, redemptions and other distributions payable to shareholders of the Parent (whether or not declared)) of the Group as at such Test Date.

Consolidated Total Debt Service for the Group for any Measurement Period means Consolidated Total Net Interest Payable for such period **plus** all principal amounts of Financial Indebtedness of members of the Group (including the capital element of any finance lease) which fell due for repayment or prepayment whether or not paid during or deferred for payment after such period, but excluding any principal amount which fell due under any overdraft or revolving credit facility (including any Ancillary Facility) and which was available for simultaneous redrawing according to the terms of such facility.

Consolidated Total Interest Payable for the Group for any Measurement Period means the Interest accrued during such period as an obligation of any member of the Group (whether or not paid or added to principal during, or deferred for payment after, the period), but:

- (a) deducting any Interest which is added to principal, rolled-up or deferred during such period under any Proceeds Loan or Shareholder Loan (provided such Shareholder Loan is subordinated to the Facilities pursuant to the terms of the Priority Agreement);
- (b) taking into account any net payment or net receipt under any of the Hedging Documents;
- (c) if a joint venture is accounted for on a proportionate consolidation basis, adding the Group's share of the Interest incurred by the joint venture; and
- (d) not taking into account any Transaction Costs to the extent these would otherwise be included in Interest.

Consolidated Total Net Borrowings means, in respect of the Group at any time, the aggregate of the Financial Indebtedness of the members of the Group from sources external to the Group (other than any

Shareholder Loan provided such Shareholder Loan is subordinated to the Facilities pursuant to the terms of the Priority Agreement) calculated at its nominal or principal amount or, if greater, the maximum amount payable on repayment or redemption of the relevant liabilities (excluding, for this purpose only, any prepayment fees payable under the Senior Finance Documents), **less** the aggregate amount at that time of all Cash and Cash Equivalents held by any member of the Group. For the purpose of this definition, Financial Indebtedness does not include the mark to market value of any interest rate Treasury Transaction (as referred to in paragraph (h) of the definition).

Consolidated Total Net Interest Payable for the Group in any Measurement Period means Consolidated Total Interest Payable less any Interest received or receivable by any member of the Group (after deducting any applicable withholding tax) in such period.

Measurement Period means, subject to Clause 21.7(a) (Initial periods), each period of 12 months ending on a Test Date.

Relevant Covenant Schedule means Schedule 14 (Financial Covenants).

Test Date means each date specified in the relevant table in the Relevant Covenant Schedule and for this purpose a reference to:

- (a) **Q1** means the Test Date shall be 31st March in the relevant year;
- (b) **Q2** means the Test Date shall be 30th June in the relevant year;
- (c) **Q3** means the Test Date shall be 30th September in the relevant year; and
- (d) **Q4** means the Test Date shall be 31st December in the relevant year.

Transaction Costs means any fees (including consent fees), costs and expenses incurred by a member of the Group in connection with raising debt or in connection with any Flotation (including without limitation the issuance of Senior Unsecured Notes and Senior Secured Notes).

21.6 Basis of Calculations

- (a) All the terms defined in Clause 21.5 (Financial Covenant Definitions) are to be determined on a consolidated basis and (except as expressly included or excluded in the relevant definition) in accordance with the Accounting Standards. The financial covenants in this Clause 21 shall apply as of the Test Date at the end of each Measurement Period and compliance (or otherwise) shall be verified by reference to the consolidated Accounts of the Group for the relevant Measurement Periods and any applicable Reconciliation Statement delivered pursuant to Clause 20.1 (Financial statements).
- (b) No item shall be deducted or credited more than once in any calculation.
- (c) Where an amount in the Accounts is not denominated in the Base Currency, it shall be converted into the Base Currency at the rates specified in the Accounts.

21.7 Initial periods

- (a) For the purposes of the financial covenants set out in Clauses 21.1 (Consolidated EBITDA to Consolidated Total Net Interest Payable) and 21.2 (Consolidated Cashflow to Consolidated Total Debt Service):
 - (i) the Measurement Periods ending on the first two Test Dates to occur after the Casema Closing Date shall be shortened so that they each commence on 1st October, 2006 and end on the relevant Test Date and Consolidated EBITDA, Consolidated Cashflow, Consolidated Total Debt Service and Consolidated Total Net Interest Payable of the Group shall be determined for such shorter Measurement Period only; and

- (ii) in respect of the Measurement Periods ending on the first four Test Dates to occur after the Kabelcom Closing Date, Consolidated EBITDA, Consolidated Cashflow, Consolidated Total Debt Service and Consolidated Total Net Interest Payable of the Kabelcom Group shall only be determined for the period commencing on the first day of the month after the month in which the Kabelcom Closing Date actually occurs and ending on the relevant Test Date.
- (b) For the purposes of the financial covenant set out in Clause 21.3 (Consolidated Total Net Borrowings to Adjusted Consolidated EBITDA), for each Test Date, Consolidated EBITDA shall be determined on the basis of the actual amount of Consolidated EBITDA of the Group during the relevant Measurement Period and, for the avoidance of doubt, shall include the Consolidated EBITDA of the Casema Group (for any part of any Measurement Period which commences before the Casema Closing Date) and of the Kabelcom Group (for any part of any Measurement Period which commences before the Kabelcom Closing Date).

22. GENERAL COVENANTS

22.1 General

Each Obligor agrees to be bound by the covenants set out in this Clause relating to it and, where the covenant is expressed to apply to a member or members of the Group, each Obligor must ensure that any member of the Group which is its Subsidiary also performs that covenant.

22.2 Authorisations

- (a) Each member of the Group must promptly:
 - (i) obtain, maintain and comply with the terms; and
 - (ii) upon request supply certified copies to the Facility Agent,
 of any authorisation required to enable it to perform its obligations under, or for the validity or enforceability of, any Transaction Document and the transactions contemplated by it.
- (b) Each member of the Group must promptly:
 - (i) obtain, maintain and comply with the terms; and
 - (ii) upon request supply certified copies to the Facility Agent,
 of any authorisation required to enable it to carry on its business in the ordinary course where failure to do so has a Material Adverse Effect.

22.3 Compliance with laws

Each member of the Group must comply in all respects with all laws and regulations (including the Telecommunications, Cable and Broadcasting Laws) to which it is subject where failure to do so has a Material Adverse Effect.

22.4 Pari passu ranking

Each Obligor must ensure that its payment obligations under the Senior Finance Documents at all times rank at least *pari passu* with all its present and future unsecured unsubordinated payment obligations, except for obligations mandatorily preferred by law applying to companies generally in its jurisdiction of incorporation or any other jurisdiction where it carries on business.

22.5 Negative pledge

- (a) Except as provided in paragraph (c) below, no member of the Group may create or allow to exist any Security Interest on any of its assets.

- (b) No member of the Group may:
- (i) dispose of any of its assets on terms where it is or may be or may be required to be leased to or re-acquired or acquired by a member of the Group or any of its related entities; or
 - (ii) dispose of any of its receivables on recourse terms;
 - (iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
 - (iv) enter into any other preferential arrangement having a similar effect,
- in circumstances where the transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.
- (c) Paragraphs (a) and (b) above do not apply to:
- (i) any Security Interest created or evidenced by the Senior Finance Documents;
 - (ii) any Security Interest created under the terms of the Existing Multikabel Facilities provided that such Security Interests are released on the Casema Closing Date;
 - (iii) any Security Interest comprising a netting or set-off arrangement entered into by a member of the Group with an Approved Bank in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances, but only if:
 - (A) the arrangement does not permit credit balances of Obligors to be netted with debit balances of Non-Obligors except where the aggregate amount of the debit balances of such Non-Obligors is less than €2,500,000; and
 - (B) the arrangement does not give rise to other Security Interests over the assets of Obligors in support of the liabilities of Non-Obligors;
 - (iv) any lien arising by operation of law or any lien or retention of title arrangement arising by agreement to substantially the same effect and in the ordinary course of trading and not as a result of any default or omission by any member of the Group;
 - (v) any Security Interest on an asset acquired by a member of the Group after the date of this Agreement or on an asset (as at the date of a person's acquisition by a member of the Group) of that person, but only for the period of six months from the date of acquisition and to the extent that:
 - (A) that Security Interest was not created in contemplation of that acquisition; and
 - (B) the principal amount secured by that Security Interest is permitted by Clause 22.7(b)(iii) (Financial Indebtedness) and has not been incurred or increased or its maturity date extended in contemplation of, or since, that acquisition;
 - (vi) any Security Interest over goods and documents of title to such goods arising under documentary credit transactions entered into in the ordinary course of trade and on terms customary in that trade;
 - (vii) any Security Interest created under the general terms and conditions of any member of the Dutch Bankers' Association and provided that the Parent has used its reasonable endeavours to ensure such Security Interests are released;
 - (viii) any netting of payments under permitted Treasury Transactions;

- (ix) any Security Interest or similar arrangement arising in connection with any finance lease permitted pursuant to Clause 22.7(b)(iv) (Financial Indebtedness);
- (x) any Security Interest created over the shares of any Permitted Joint Venture owned by any member of the Group to secure any obligations of that member of the Group to the other owners of shares in such Permitted Joint Venture;
- (xi) any Security Interest created in favour of a plaintiff or defendant in any proceeding as security for costs or expenses incurred in connection with that proceeding and any Security Interest created pursuant to any order of attachment, distraint, garnishee order or injunction restraining disposal of assets or similar legal process arising in connection with court proceedings, in each case, where such proceedings are being contested in good faith and only to the extent such Security Interests could not reasonably be expected to have a Material Adverse Effect;
- (xii) any Security Interest securing any financial obligation of a member of the Group incurred in connection with a Permitted Securitisation, a Permitted Receivables Financing or any Permitted Sale and Leaseback;
- (xiii) any Security Interest arising under any hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Group;
- (xiv) any Security Interest expressly permitted in writing by the Majority Lenders (but only if the amount secured by that Security Interest is not increased above the permitted amount); and
- (xv) any Security Interest (not being over any asset subject to any Security Interest under the Security Documents securing any indebtedness of the Group where the Base Currency Equivalent of the outstanding principal amount of such indebtedness (when taken together with the outstanding Base Currency Equivalent of the principal amount of any other indebtedness of the Group which has the benefit of a Security Interest not permitted under the preceding sub-paragraphs) does not exceed an amount equal to the Relevant Basket Amount at any time.

22.6 Disposals

- (a) Except as provided in paragraph (b) below, no member of the Group may, either in a single transaction or in a series of transactions and whether related or not and whether voluntarily or involuntarily, dispose of all or any part of its assets.
- (b) Paragraph (a) does not apply to any disposal:
 - (i) of trading stock made on arm's length terms in the ordinary course of business for cash on arm's length terms;
 - (ii) of any asset (not being a business and not being shares, securities, interests in real property or rights under any Transaction Document) on arm's length terms in exchange for any other asset comparable or superior as to type, value, quality and title (but only if the Obligor grants security in favour of the Finance Parties (in form and substance satisfactory to the Security Agent) over any asset replacing one which was subject to a Security Interest created under a Security Document);
 - (iii) of obsolete or redundant vehicles, plant and equipment, for cash on arm's length terms;
 - (iv) of any asset:
 - (A) to an Obligor (but only if the recipient grants security in favour of the Finance Parties (in form and substance satisfactory to the Security Agent) over any asset which was subject to a Security Interest created under a Security Document);

- (B) by a Non-Obligor to any member of the Group; or
- (C) by an Obligor to a Non-Obligor on arm's length terms where the Base Currency Equivalent of the higher of the market value and consideration receivable (when taken together with the higher of the market value and consideration receivable for any other disposal under this sub-(C)) does not exceed an amount equal to the Relevant Basket Amount at any time

provided that in the case of a disposal of shares,

- I. if the shares are subject to a Security Interest in favour of the Finance Parties under the Security Documents prior to such disposal, all of those shares are subject to a Security Interest on substantially equivalent terms (without regard to any hardening period) after the disposal; and
 - II. Ziggo Holding B.V. continues to hold 100% of the shares in Ziggo B.V. and no shares held by Ziggo B.V. or any of its Subsidiaries (the **Ziggo BV Group**) may be transferred to another member of the Group which is not a member of the Ziggo BV Group;
- (v) of Cash Equivalents:
 - (A) for cash; or
 - (B) in exchange for other Cash Equivalents;
 - (vi) of cash where such disposal does not breach the other terms of the Senior Finance Documents;
 - (vii) pursuant to any Permitted Reorganisation or in accordance with the Casema Structure Memorandum or the Kabelcom Structure Memorandum;
 - (viii) constituted by a licence in respect of Intellectual Property Rights which is permitted pursuant to Clause 22.17(b) (Intellectual property rights);
 - (ix) of any asset (not being a business and not being shares, securities or rights under any Transaction Document) to a Permitted Joint Venture on arm's length terms to the extent permitted by Clause 22.26 (Joint Ventures/Associates/Minority Interests);
 - (x) any disposal required as a result of any conditions imposed in connection with the Casema Acquisition or the Kabelcom Acquisition or other requirements of the NMa or the relevant EU competition authorities and which Casema Bidco or Kabelcom Bidco (as the case may be) accepts pursuant to the terms of the Casema or Kabelcom Acquisition Documents;
 - (xi) any disposal of fixed assets where the proceeds of such disposal (or an equivalent amount) are used within 12 months after that disposal (or committed or designated by the management board of the relevant member of the Group to be used within 12 months after receipt of such proceeds and are so used within 6 months thereafter):
 - (A) to purchase other fixed assets useful in the business, provided that if any Security Interest was granted over the original asset pursuant to the Security Documents, the new asset becomes the subject of an equivalent Security Interest in favour of the Finance Parties on the same terms; and
 - (B) if the disposal occurs on or after a Qualifying IPO, to finance any Permitted Acquisition, provided that if any Security Interest was granted over the original asset pursuant to the Security Documents, the shares in the target company or (in the case of the acquisition of a business) the shares in the member of the Group that acquires the business are pledged in favour of the Finance Parties;

- (xii) in connection with any Permitted Securitisation, Permitted Receivables Financing or Permitted Sale and Leaseback;
 - (xiii) any disposal of network assets or similar assets pursuant to buy-back rights or similar rights or options in exploitation agreements or similar arrangements with municipalities provided that the Parent must consult with the Facility Agent (including the delivery of all relevant information) in relation to such disposal;
 - (xiv) any disposal agreed to by the Majority Lenders; or
 - (xv) for cash on arm's length terms where the Base Currency Equivalent of the higher of the market value and consideration receivable (when taken together with the higher of the market value and consideration receivable for any other disposal not allowed under the preceding subparagraphs) does not exceed an amount equal to the Relevant Basket Amount in any annual Accounting Period of the Parent.
- (c) The disposals referred to in paragraphs (b)(iii), (b)(x), (b)(xi), (b)(xii), (b)(xiii) and (b)(xv) above shall be for cash payable in full at or before the time of disposal.

22.7 Financial Indebtedness

- (a) Except as provided in paragraph (b) below, no member of the Group may incur or permit to be outstanding any Financial Indebtedness or enter into any off-balance sheet financing arrangement.
- (b) Paragraph (a) does not apply to:
 - (i) Financial Indebtedness incurred under the Senior Finance Documents;
 - (ii) any Shareholder Loan provided that such Shareholder Loan is subordinated to the Senior Finance Documents pursuant to the Priority Agreement;
 - (iii) any Financial Indebtedness of any person acquired by a member of the Group after the date of this Agreement which is incurred under arrangements in existence at the date of such acquisition, but not incurred or increased or its maturity date extended in contemplation of, or since, that acquisition, and outstanding only for a period of six months following the date of that acquisition;
 - (iv) any Financial Indebtedness under any finance or capital leases of vehicles, plant, equipment or computers, provided that the Base Currency Equivalent of the aggregate capital value of all such items so leased under outstanding leases by members of the Group together with the outstanding principal amount of any Permitted Sale and Leaseback does not exceed an amount equal to the Relevant Basket Amount at any time;
 - (v) any Treasury Transaction permitted under Clause 22.13 (Treasury Transactions);
 - (vi) any Financial Indebtedness permitted under Clause 22.12 (Third party guarantees) or Clause 22.14 (Loans out);
 - (vii) any Financial Indebtedness to the extent covered by a Letter of Credit or a letter of credit or guarantee issued under an Ancillary Facility;
 - (viii) any Financial Indebtedness incurred under any Permitted Sale and Leaseback provided that the net proceeds received by the member of the Group from those arrangements are applied in full to prepay all or part of the Loans in accordance with Clause 10.8 (Mandatory prepayment—securitisation and receivables financing);
 - (ix) any Financial Indebtedness incurred in connection with any Permitted Securitisation or Permitted Receivables Financing provided that the net proceeds of such Permitted Securitisation or Permitted Receivables Financing are applied in prepayment of the Loans in

accordance with Clause 10.8 (Mandatory prepayment—securitisation and receivables financing);

- (x) the Financial Indebtedness incurred under the Existing Multikabel Facilities provided such Financial Indebtedness is irrevocably discharged in full on the Casema Closing Date;
- (xi) any Financial Indebtedness expressly permitted in writing by the Majority Lenders;
- (xii) any Financial Indebtedness incurred by the Parent under the Proceeds Loans to the extent that the aggregate principal amount of such Proceeds Loans does not exceed the principal amount of the Senior Unsecured Notes; or
- (xiii) any Financial Indebtedness of any member or members of the Group not otherwise permitted by this paragraph (b), the Base Currency Equivalent of which in aggregate (when taken together with the amount of any other indebtedness which has the benefit of a Security Interest permitted under Clauses 22.5(c)(iii) or 22.5(c)(xv) (Negative pledge) but without double counting) does not exceed an amount equal to the Relevant Basket Amount at any time.

22.8 Change of business

The Parent must ensure that no substantial change is made to the general nature of the business of the Group taken as a whole from that carried on by the Multikabel Group, the Casema Group and the Kabelcom Group as at date of this Agreement.

22.9 Mergers

No member of the Group may enter into any amalgamation, demerger, merger, consolidation or reconstruction other than a Permitted Reorganisation.

22.10 Acquisitions

- (a) Except as provided in paragraph (b) below, no member of the Group may:
 - (i) acquire or subscribe for shares or other ownership interests in or securities of any company or other person;
 - (ii) acquire any business; or
 - (iii) incorporate any company or other person.
- (b) Paragraph (a) does not apply to:
 - (i) any acquisition or subscription for shares or other ownership interests in any person referred to in the Casema Structure Memorandum or the Kabelcom Structure Memorandum;
 - (ii) the Casema Acquisition and the Kabelcom Acquisition;
 - (iii) the acquisition of Cash Equivalents for treasury management purposes provided that such Cash Equivalents (or if not legally owned by an Obligor, such Obligor's beneficial interest or other rights to such Cash Equivalents) become subject to the Security Interests granted pursuant to the Security Documents as soon as is reasonably practicable;
 - (iv) the subscription for or acquisition of shares in its direct Subsidiary, or the acquisition of the assets of an existing member of the Group, provided that if the shares in that Subsidiary or those assets were the subject of a Security Interest under the Security Documents, the relevant shares and/or assets upon acquisition become the subject of a Security Interest under the Security Documents;

- (v) any Permitted Reorganisation;
- (vi) any acquisition from any member of the Group which is expressly permitted under Clause 22.6 (Disposals);
- (vii) the acquisition of, or subscription for, shares or ownership interests in (or the incorporation of a special purpose company to acquire an interest in) a Permitted Joint Venture on arm's length terms provided that such acquisition or subscription shall constitute a Joint Venture Investment for the purposes of Clause 22.26 (Joint Ventures/Associates/Minority Interests);
- (viii) any acquisition agreed to by the Majority Lenders;
- (ix) any Permitted Acquisition made on arm's length terms; or
- (x) any acquisition by Ziggo B.V. (or any Subsidiary of Ziggo B.V.) of a clean shelf company or incorporation of a new company which will become a (direct or indirect) subsidiary of Ziggo B.V..

22.11 Environmental matters

- (a) Each member of the Group must ensure that:
 - (i) it is, and has been, in compliance with all Environmental Laws and Environmental Approvals applicable to it, where failure to do so has a Material Adverse Effect or is reasonably likely to result in any liability for a Finance Party;
 - (ii) it obtains all requisite Environmental Approvals where failure to obtain would have a Material Adverse Effect or is reasonably likely to result in any liability for a Finance Party; and
 - (iii) it implements procedures to monitor compliance with and to prevent liability under any Environmental Law.
- (b) Each Obligor must, promptly upon becoming aware, notify the Facility Agent of:
 - (i) any Environmental Claim current, or to its knowledge, pending or threatened against it; or
 - (ii) any circumstances reasonably likely to result in an Environmental Claim against it,

which has or, if determined against it, would have a Material Adverse Effect or is reasonably likely to result in any liability for a Finance Party.
- (c) The Parent agrees to indemnify each Finance Party, each receiver appointed under any Security Document and their respective officers, employees, agents and delegates (together the **Indemnified Parties**) against any loss or liability suffered or incurred by that Indemnified Party (except to the extent caused by such Indemnified Party's own negligence or wilful default) which:
 - (i) arises by virtue of any actual or alleged breach of any Environmental Law (whether by any Obligor, an Indemnified Party or any other person); or
 - (ii) arises in connection with an Environmental Claim,

which relates to the Group, any assets of the Group or the operation of all or part of the business of the Group (or in each case any member of the Group) and which would not have arisen if the Senior Finance Documents or any of them had not been executed by that Finance Party.

22.12 Third party guarantees

- (a) Except as provided in paragraph (b) below, no member of the Group may incur or allow to be outstanding any guarantee by such member of the Group or any of its Subsidiaries in respect of any person.
- (b) Paragraph (a) does not apply to:
 - (i) any guarantee arising under the Transaction Documents;
 - (ii) any guarantee given in respect of the netting or set-off arrangements expressly permitted by Clause 22.5(c)(iii) (Negative pledge);
 - (iii) the endorsement of negotiable instruments in the ordinary course of trade;
 - (iv) performance bonds guaranteeing performance by an Obligor (not being any member of the Newco Group) under any contract (not being in respect of Financial Indebtedness) entered into in the ordinary course of business;
 - (v) guarantees of joint ventures, associates or minority interests to the extent permitted by Clause 22.26 (Joint Ventures/Associates/Minority Interests);
 - (vi) any guarantee pursuant to a declaration registered with the relevant commercial register as referred to in article 2:403 of the Dutch Civil Code provided that such guarantee may not apply to any Permitted Securitisation, Permitted Receivables Financing or Permitted Sale and Leaseback;
 - (vii) guarantees by any Obligor in respect of the Financial Indebtedness of any other Obligor (not being any member of the Newco Group) where such Financial Indebtedness is permitted by the terms of this Agreement;
 - (viii) guarantees by any Obligor in respect of the Financial Indebtedness of any Non-Obligor (where such Financial Indebtedness is permitted by the terms of this Agreement) provided that the maximum amount guaranteed (actual or contingent) under such guarantees when aggregated with the aggregate amount of loans by Obligors to Non-Obligors outstanding at any time permitted under Clause 22.14(b)(iii) (Loans out) must not exceed an amount equal to the Relevant Basket Amount (or its equivalent) at any time;
 - (ix) the guarantee granted by N.V. Multikabel in favour of Inflation Vastgoed B.V. dated 18th March, 2005 in a principal amount not exceeding €75,000;
 - (x) the “Inter-Group Guarantees” as defined in the Kabelcom Acquisition Documents, but only to the extent that Essent Nederland B.V. indemnifies each relevant member of the Group for any liability thereunder;
 - (xi) any guarantee expressly permitted by the Majority Lenders;
 - (xii) any customary indemnity by any Obligor in favour of the underwriters or initial purchasers in any underwriting, purchase or similar agreement or engagement letter entered into in connection with the issuance of any Senior Secured Notes or Senior Unsecured Notes;
 - (xiii) the Senior Unsecured Note Guarantees, provided that:
 - (A) no Senior Unsecured Note Guarantee may be given by a member of the Group which is not a Guarantor; and
 - (B) the principal amount of the Senior Unsecured Notes (excluding capitalised interest and any amounts of the Senior Unsecured Notes applied to fund any up-front fees, original issue discount fees, underwriting commissions and discounts and costs and

expenses payable in connection with the Senior Unsecured Notes) guaranteed by the Senior Unsecured Note Guarantees does not exceed the aggregate principal amount of the Proceeds Loans at any time; or

- (xiv) guarantees (not being in respect of any obligation or liability of any member of the Newco Group) not otherwise allowed under the preceding sub-paragraphs under which the Base Currency Equivalent of the aggregate maximum liability (actual or contingent) of members of the Group (when taken together with the amount of any Financial Indebtedness permitted under Clause 22.14(b)(ix) (Loans out) and the aggregate amount of all Joint Venture Investments permitted under Clause 22.26(b)(iv) (Joint Ventures/Associates/Minority Interests) but without double counting) does not exceed an amount equal to the Relevant Basket Amount.

22.13 Treasury Transactions

- (a) Subject to paragraph (c) below, no member of the Group may enter into any Treasury Transaction, other than:
 - (i) the hedging transactions entered into by any member of the Group contemplated by the Hedging Letter and documented by the Hedging Documents; and
 - (ii) spot and forward delivery foreign exchange contracts and other Treasury Transactions entered into in the ordinary course of business but not for speculative purposes.
- (b) The Parent must ensure that all interest rate hedging arrangements contemplated by the Hedging Letter are implemented in accordance with the terms of the Hedging Letter and that such arrangements are not terminated, varied or cancelled without the consent of the Facility Agent (acting on the instructions of the Majority Lenders), save (in the case of arrangements documented by the Hedging Documents) as permitted by the Priority Agreement.
- (c) This Clause 22.13 shall cease to apply after a Qualifying IPO has occurred.

22.14 Loans out

- (a) Except as provided in paragraph (b) below, no member of the Group may be the creditor in respect of any Financial Indebtedness or of any trade credit extended to any of its customers.
- (b) Paragraph (a) does not apply to:
 - (i) trade credit extended by any member of the Group to its customers on normal commercial terms and in the ordinary course of its trading activities;
 - (ii) any loan by a member of the Group to an Obligor (not being the Parent or Kabelcom Holdco);
 - (iii) any loan by a member of the Group to a Non-Obligor provided that:
 - (A) the terms of paragraph (c) below are complied with; and
 - (B) the aggregate amount of loans by Obligors to Non-Obligors outstanding at any time (together with the maximum amount guaranteed (actual or contingent) under any guarantee permitted under Clause 22.12(b)(viii) (Third party guarantees) must not exceed an amount equal to the Relevant Basket Amount (or its equivalent) at any time;
 - (iv) loans made by one member of the Group to another member of the Group identified in the Casema Structure Memorandum or the Kabelcom Structure Memorandum;
 - (v) a loan made from a Non-Obligor to another Non-Obligor;

- (vi) a loan made by a member of the Group to an employee or director of any member of the Group or any company, trust or other entity directly or indirectly controlled by such employee or director created for family or tax planning purposes, if the amount of that loan when aggregated with the amount of all loans to employees, directors, companies, trusts or other entities by members of the Group does not exceed €5,000,000 (or its equivalent) at any time; and
 - (vii) loans to a Permitted Joint Venture to the extent permitted by Clause 22.26 (Joint Ventures/Associates/Minority Interests);
 - (viii) any loan expressly permitted by the Majority Lenders; or
 - (ix) Financial Indebtedness not otherwise allowed under the preceding sub-paragraphs the Base Currency Equivalent of which (when taken together with the aggregate actual or contingent liability under any guarantees permitted under Clause 22.12(b)(xiv) (Third party guarantees) and the aggregate amount of all Joint Venture Investments permitted under Clause 22.26(b)(iv) (Joint Ventures/Associates/Minority Interests) but without double counting) does not exceed an amount equal to the Relevant Basket Amount.
- (c) Any loan made between members of the Group must be on terms that:
- (i) the creditor of that loan (if an Obligor) shall grant security over its rights in respect of that loan in favour of the Lenders on terms acceptable to the Facility Agent (acting on the instructions of the Majority Lenders) and in accordance with Clause 22.28 (Security);
 - (ii) if the debtor is an Obligor, the creditor of that loan shall be party to the Priority Agreement as an Intercompany Creditor under and as defined in the Priority Agreement provided that if the creditor is not already a party to the Priority Agreement, such creditor shall only be required to become a party if the aggregate amount of loans made by it to Obligors exceeds €1,000,000; and
 - (iii) the creditor in respect of that loan may not take any action to cause that loan (or any related interest, fees or other amounts) to become due or to be paid:
 - (A) in breach of the terms of the Priority Agreement (to the extent it is a party); or
 - (B) if not already prohibited by paragraph (A), unless the other member of the Group has sufficient readily available cash to pay the sum which is due or demanded.

22.15 Share capital

- (a) Except as provided in paragraph (b) below, no member of the Group may:
- (i) redeem, purchase, defease, retire or repay any of its shares or share capital (or any instrument convertible into shares or share capital) or resolve to do so;
 - (ii) issue any shares (or any instrument convertible into shares) which by their terms are redeemable or carry any right to a return prior to the Senior Discharge Date; or
 - (iii) issue any shares or share capital (or any instrument convertible into shares or share capital) to any person other than its Holding Company.
- (b) Paragraph (a) does not apply to:
- (i) any transaction expressly allowed under the Senior Finance Documents or contemplated by the Casema Structure Memorandum or the Kabelcom Structure Memorandum;
 - (ii) the issue of shares paid for in full for cash upon issue by the Parent to the Investors where such shares are of the same class and on the same terms as those initially issued by the Parent

and which by their terms are not redeemable and where such issue does not lead to a Change of Control of the Parent;

- (iii) the issue of shares by a member of the Group to another member of the Group which is a shareholder in it prior to that issue where, if any shares in that member of the Group issuing such shares are the subject of a Security Interest pursuant to the Security Documents, such shares become the subject of an equivalent Security Interest in favour of the Finance Parties on the same terms;
- (iv) any transaction which forms part of a Permitted Reorganisation;
- (v) the purchase by any member of the Group of shares and rights in respect of shares from employees leaving the Parent or any member of the Group solely for the purpose of reallocating such shares, rights or loan notes to other employees of any member of the Group provided that:
 - (A) the aggregate value of such shares, rights or loan notes at any time held by any member of the Group as a result of such purchase shall not exceed €20,000,000; and
 - (B) to the extent that there has been a cancellation of any such shares, rights or loan notes, the maximum aggregate amount of €20,000,000 shall be reduced by an amount equal to the value of the shares, rights or loan notes so cancelled;
- (vi) the issue of shares by the Parent pursuant to any management incentive or employee stock option plan implemented by any member of the Group provided that the Base Currency Equivalent of the aggregate amount of ordinary shares allotted to them does not exceed €20,000,000 at any time;
- (vii) the issue of shares by the Parent in connection with a Flotation in respect of the Parent.

22.16 Dividends and shareholder loans

- (a) Subject to (b) below, the Parent may not:
 - (i) declare, make or pay, or pay interest on any unpaid amount of, any dividend, charge, fee or other distribution (whether in cash or in kind) on or in respect of its shares or share capital (or any class of its share capital);
 - (ii) repay or distribute any share premium account; or
 - (iii) pay or allow any member of the Group to pay any management, advisory or other fee or to make any other payment (including, without limitation, in connection with a Shareholder Loan or a Proceeds Loan) to or to the order of the shareholders of the Parent (or any of their respective Affiliates which is not a member of the Group).
- (b) Paragraph (a) above does not apply to:
 - (i) any Permitted Payment; or
 - (ii) any other payment expressly permitted by the terms of the Priority Agreement.

22.17 Intellectual property rights

- (a) Except as provided below, each member of the Group must:
 - (i) make any registration and pay any fee or other amount which is necessary to retain and protect the Intellectual Property Rights which are material to the business of a member of the Group;
 - (ii) record its interest in those Intellectual Property Rights;

- (iii) take such steps as are necessary and commercially reasonable (including the institution of legal proceedings) to prevent third parties infringing those Intellectual Property Rights;
- (iv) not use or permit any such Intellectual Property Right to be used in a way which may, or take or omit to take any action which may, adversely affect the existence or value of such Intellectual Property Right; and
- (v) not grant any licence in respect of those Intellectual Property Rights,

where failure to do so would be reasonably expected to have a Material Adverse Effect.

(b) Paragraph (a)(v) above does not apply to:

- (i) licence arrangements entered into between members of the Group for so long as they remain members of the Group; or
- (ii) licence arrangements entered into on normal commercial terms and in the ordinary course of its business.

22.18 Insurances

- (a) Each Obligor shall maintain insurances on and in relation to its business and assets against those risks (including against loss of earnings) and to the extent as is usual for companies of a similar size carrying on the same or substantially similar business.
- (b) All insurances must be with reputable independent insurance companies or underwriters.

22.19 Holding Companies

No member of the Newco Group may carry on any business or own any assets, other than:

- (a) the ownership of shares of (in the case of the Parent) CBA, Casema Bidco and Torensplits II B.V. or (in the case of Casema Bidco) Ziggo Holding B.V. or (in the case of CBA) Ziggo Holding B.V. or (in the case of Torensplits II B.V.) Plinius Investments II B.V. or (in the case of Plinius Investments II B.V.) Ziggo Holding B.V.;
- (b) the ownership of Cash or Cash Equivalents and the provision of administrative services (excluding treasury services) to other members of the Group of a type customarily provided by a Holding Company to its Subsidiaries;
- (c) incurring Financial Indebtedness expressly permitted under the Senior Finance Documents (including without limitation the Proceeds Loans and any Senior Unsecured Note Guarantees);
- (d) entering into and performing any underwriting, purchase or similar agreement or engagement letter in connection with the issuance of any Senior Secured Notes or Senior Unsecured Notes on terms customary for such agreements to be determined in good faith by the Parent;
- (e) any intra-Group transactions which are expressly permitted by the Senior Finance Documents; or
- (f) rights arising under the Transaction Documents.

22.20 Arm's-length terms

No member of the Group may enter into any material transaction with any person otherwise than on arm's-length terms and for full market value, save for:

- (a) loans between members of the Group; or

- (b) other transactions between members of the Group,

which are permitted by other terms of this Agreement provided that the terms of those loans or transactions do not result in a transfer of value from an Obligor to a Non-Obligor.

22.21 Amendments to documents

- (a) No member of the Group may:
 - (i) amend its articles of association (*statuten*) or other constitutional documents (other than in connection with the conversion of Casema Opco from a public limited company (*naamloze vennootschap*) to a private limited company (*besloten vennootschap met beperkte aansprakelijkheid*);
 - (ii) enter into any agreement with any shareholders in the Parent (other than as set out in the Investor Documents as in force on the date of this Agreement and other than in relation to the Proceeds Loans and the Senior Unsecured Note Guarantees) or any of their Affiliates which is not a member of the Group; or
 - (iii) amend or waive any term of the Transaction Documents or any of the other documents delivered to the Facility Agent pursuant to Clause 4.1 (Conditions precedent documents) other than the waiver of any non-material conditions to the closing of the Casema Acquisition or the Kabelcom Acquisition (as the case may be),

in each case, in any respect which is materially adverse to the interests of the Lenders under the Senior Finance Documents.

- (b) The Parent must promptly supply to the Facility Agent a copy of any amendment to or waiver of any of the documents, or any agreement with any shareholder in the Parent (or any of their Affiliates), in either case referred to in paragraph (a) above.

22.22 Bank Accounts

- (a) Subject to paragraph (b) below, no member of the Group may open or maintain any account or enter into any banking relationship with any branch of any bank or other financial institution providing similar services other than:
 - (i) accounts held by any member of the Casema Group on the Casema Closing Date and disclosed in writing to the Facility Agent in reasonable detail, but only for the period of 60 days from the Casema Closing Date;
 - (ii) accounts held by any member of the Kabelcom Group on the Kabelcom Closing Date and disclosed in writing to the Facility Agent in reasonable detail, but only for the period of 60 days from the Kabelcom Closing Date; and
 - (iii) any account maintained with an Approved Bank.
- (b) This Clause 22.22 shall cease to apply after a Qualifying IPO has occurred.

22.23 Access

- (a) Subject to paragraph (c) below, if:
 - (i) the Majority Lenders have reasonable grounds to believe that any financial information provided by any member of the Group is materially inaccurate; or
 - (ii) an Event of Default is outstanding,

upon reasonable notice being given by the Facility Agent, each member of the Group must allow any one or more representatives of the Facility Agent and/or accountants or other professional advisers appointed by the Facility Agent to have access during normal business hours to the premises, assets, books and records of that member of the Group.

- (b) Any costs and expenses incurred in connection with any investigation made pursuant to paragraph (a) above shall be paid by the Parent unless (in respect if an investigation in the circumstance referred to in sub-paragraph (a)(i) above only) such investigation shows that the financial information provided was not materially inaccurate, in which case the costs and expenses are to be borne by the Lenders.
- (c) This Clause 22.23 shall cease to apply after a Qualifying IPO has occurred.

22.24 Pension schemes

- (a) Each member of the Group must be:
 - (i) in compliance with all laws and contracts relating to any of its pension schemes; and
 - (ii) maintain and fund its pension schemes to at least the extent required by local law and practice, where failure to do so would be reasonably expected to have a Material Adverse Effect.
- (b) The Parent must supply the Facility Agent with a copy of any report procured by any member of the Group in respect of any pension scheme operated by a member of the Group which the Facility Agent may reasonably request if the report provider agrees (and the Parent shall use reasonable endeavours to obtain such consent).

22.25 Taxes

- (a) Each member of the Group must pay all Taxes due and payable (or, where payments of Tax must be made by reference to estimated amounts, such estimated Tax (calculated in good faith) as due and payable for the relevant period) by it prior to the accrual of any material fine or penalty for late payment, unless (and only to the extent that):
 - (i) payment of those Taxes is being contested in good faith;
 - (ii) adequate reserves are being maintained for those Taxes and the costs required to contest them; and
 - (iii) failure to pay those Taxes does not have a Material Adverse Effect.
- (b) No member of the Group may change its residence for Tax purposes.

22.26 Joint Ventures/Associates/Minority Interests

- (a) Except as provided in paragraph (b) below, no member of the Group may:
 - (i) enter into, invest in, acquire any interest in, transfer any asset to, lend to, be the creditor of any Financial Indebtedness of or give any guarantee in respect of the obligations of any joint venture, associate or minority interest; or
 - (ii) trade with or sell to or acquire assets or services from any joint venture, associate or minority interest otherwise than on arm's length terms.
- (b) Paragraph (a) does not apply to any investment in any joint venture, associate or minority interest (a **Permitted Joint Venture**) where:
 - (i) the Permitted Joint Venture is incorporated, or established, and carries on its principal business, in the European Union;

- (ii) the Permitted Joint Venture carries on a similar business or is a business similar to one currently undertaken by a member of the Group;
- (iii) the Permitted Joint Venture is a limited liability person or the investment is made through a special purpose company which is itself a limited liability company; and
- (iv) the Base Currency Equivalent of the aggregate amount of all Joint Venture Investments made after the date of this Agreement (when taken together with the aggregate actual or contingent liability under any guarantees permitted under Clause 22.12(b)(xiv) (Third party guarantees) and the amount of any Financial Indebtedness permitted under Clause 22.14(b)(ix) (Loans out) but without double counting) does not exceed an amount equal to the Relevant Basket Amount at any time during the term of this Agreement except to the extent funded using Retained Excess Cashflow.

22.27 Guarantor Cover

- (a) The Parent must ensure that each Additional Borrower will become an Additional Guarantor at or before the time it becomes an Additional Borrower.
- (b) Where, after the date of this Agreement, it is demonstrated by reference to the financial statements of any Subsidiary referred to in paragraphs (a) and (b) of the definition of Material Subsidiary and the Accounts of the Group referred to in paragraph (c) of the definition of Material Subsidiary that any member of the Group is a Material Subsidiary, the Parent shall promptly and in any event within 20 Business Days of the delivery of such Accounts procure that, subject to the Agreed Security Principles, such Material Subsidiary becomes an Additional Guarantor in the manner required by Clause 30.9 (Additional Obligors).
- (c) If at any time, a Compliance Certificate demonstrates that the aggregate contribution of Guarantors to the gross assets and Consolidated EBITDA of the Group is less than 80 per cent. of the gross assets or Consolidated EBITDA of the Group (the **Threshold Test**), the Parent shall procure that, subject to the Agreed Security Principles, such other members of the Group become Additional Guarantors in the manner required by Clause 30.9 (Additional Obligors) as may be required so that the Threshold Test is then met within 10 Business Days after the date of the relevant Compliance Certificate.

22.28 Security

- (a) The Parent must ensure that:
 - (i) the persons identified in Schedule 6 (Security Documents and Guarantors) will become Additional Guarantors and execute and deliver to the Security Agent the intended Security Documents identified against their name in that Schedule at or before the time specified in that Schedule; and
 - (ii) any member of the Group which becomes an Obligor after the date of this Agreement executes and delivers to the Security Agent such Security Documents as the Majority Lenders may reasonably require and in form and substance satisfactory to them provided that Casema Opco shall not be required to execute any Security Documents until the date falling 90 days after the Casema Closing Date.
- (b) Each Obligor must on acquiring any asset which would not be subject to the terms of the then existing Security Documents entered into by it and which is otherwise material to the business of that Obligor, execute and deliver to the Security Agent such further or additional Security Documents in relation to such assets as the Majority Lenders may reasonably require and in form and substance satisfactory to them.
- (c) Each Obligor shall execute and deliver to the Security Agent such further or additional Security Documents in such form as the Facility Agent or the Security Agent shall require creating an effective first ranking fixed Security Interest over the shares in any entity which becomes a Material Group Member after the Casema Closing Date.

- (d) The Obligors need only perform their obligations under paragraphs (a), (b) and (c) above and (e) below if it is not contrary to the Agreed Security Principles. Each Obligor must use, and must procure that the relevant person uses, all reasonable endeavours lawfully to avoid any limitation or restriction referred to in the Agreed Security Principles. This includes agreeing to a limit on the amount secured. The Facility Agent may (but shall not be obliged to) agree to such a limit if, in its opinion, to do so might avoid the relevant unlawfulness or personal liability.
- (e) Each Obligor shall, and shall procure that each other relevant member of the Group which is its Subsidiary shall, at its own expense, execute and do all such assurances, acts and things as the Security Agent may reasonably require:
 - (i) for registering any Security Documents in any required register and for perfecting or protecting the security intended to be afforded by the Security Documents (except for expenses arising as a result of a transfer or assignment of any Commitment by any Lender); and
 - (ii) if the Security Documents have become enforceable, for facilitating the realisation of all or any part of the assets which are subject to the Security Documents and the exercise of all powers, authorities and discretions vested in the Security Agent or in any receiver of all or any part of those assets,

and in particular shall execute all transfers, conveyances, assignments and releases of that property whether to the Security Agent or to its nominees and give all notices, orders and directions which the Security Agent may reasonably think expedient.
- (f) Notwithstanding any other term or provision of any Senior Finance Document (including Clause 22.27 (Guarantor Cover) or this Clause 22.28), if Cable Acquisitions Sarl becomes a member of the Group and provided that it does not own any assets (other than rights or claims under or in connection with the share purchase agreement dated 24th December, 2002 (under which Cable Acquisitions Sarl acquired Casema) and any related agreements), does not trade and does not carry on any other business, in each case, after the date on which it becomes a member of the Group, Cable Acquisitions Sarl will not be required to become an Obligor to give any guarantee or security in connection with the Senior Finance Documents.
- (g) On each date that a Security Document is entered into after the Casema Closing Date, each Obligor entering into such Security Document shall deliver to the Facility Agent:
 - (i) the documents listed in Part 3 of Schedule 2 (Conditions Precedent Documents) in respect of itself; or
 - (ii) to the extent that that Obligor has previously delivered the documents listed in Part 3 of Schedule 2 (Conditions Precedent Documents) to the Facility Agent, a certificate of that Obligor certifying that such previous documents are in full force and effect.

22.29 Acquisition Documents

- (a) The Parent shall promptly pay (or shall procure that there is promptly paid) all amounts payable by the Parent (or any member of the Group) under the Casema Acquisition Documents and/or the Kabelcom Acquisition Documents (as the case may be) as and when the same become due (save to the extent being contested by a member of the Group in good faith and where adequate reserves are being maintained for any such payment).
- (b) The Parent must take, and must procure that each member of the Group takes, (to the extent the directors of the Parent and the relevant member(s) of the Group acting reasonably believe it is commercially advantageous and appropriate to do so) all commercially reasonable steps to protect, maintain and enforce its rights and pursue any claims or remedies it has under the Casema Acquisition Documents and/or the Kabelcom Acquisition Documents (as the case may be).

22.30 Surplus Cash

- (a) Subject paragraph (e) below, no member of the Group may agree to any restriction on its ability to move cash to another member of the Group, whether by way of dividend or other distribution, inter-company loan, redemption of shares or otherwise.
- (b) Paragraph (a) above does not apply to any restriction contained in a Senior Finance Document, a Senior Unsecured Note Document or a Senior Secured Note Document.
- (c) Subject to paragraph (d) below, each Obligor will procure that none of its Subsidiaries which is a Non-Obligor will, at any time hold Cash or Cash Equivalents greater than required for its projected cashflow requirements for the next 30 days (the amount of such excess being the **Cash Balance**) and any such Cash Balance shall be lent by that Non-Obligor to an Obligor which is its Holding Company.
- (d) No Obligor shall be obliged at any time to procure that a Subsidiary lends any Cash Balance under paragraph (c) above:
 - (i) at a time when to do so would cause the Obligor or the Subsidiary to incur a materially greater Tax liability in respect of the Cash Balance than it would otherwise incur if the loan were made at a later date (and for this purpose, material means that the aggregate amount of such Taxes exceeds five per cent. of the amount to be lent);
 - (ii) if to do so would be unlawful or result in personal liability for that Subsidiary's directors or other management; or
 - (iii) it involves an amount less than €1,000,000 (or its equivalent).
- (e) Paragraph (a) above shall cease to apply after a Qualifying IPO has occurred.

22.31 Centre of Main Interests

No Obligor which is incorporated in the European Union shall without the prior written consent of the Facility Agent, deliberately change its Centre of Main Interests in a manner which would have a Material Adverse Effect.

22.32 Structure Memoranda

- (a) The Parent shall implement all of the steps set out in the Casema Structure Memorandum and the Kabelcom Structure Memorandum in the manner and in the time periods set out in the Casema Structure Memorandum or the Kabelcom Structure Memorandum (as the case may be), if failure to do so would be materially adverse to the interests of the Lenders under the Senior Finance Documents.
- (b) No member of the Group may agree to any amendments or changes to the version of the Kabelcom Structure Memorandum delivered as a condition precedent to the Casema Closing Date if any such amendment or change would be materially prejudicial to the interests of the Lenders.

22.33 Accession of Casema Opco as a Borrower

- (a) The Parent shall procure that, not later than 30 days after the Casema Closing Date, Casema Opco shall accede to this Agreement and the Priority Agreement as a Borrower and a Guarantor in accordance with Clause 30.9 (Additional Obligors) and to the Mezzanine Credit Agreement as a guarantor in accordance with the equivalent provisions in the Mezzanine Credit Agreement provided that Casema Opco shall not be required to execute any Security Documents until the date falling 90 days after the Casema Closing Date.
- (b) In addition to the conditions precedent referred to in Part 3 of Schedule 2 (Conditions Precedent Documents), the Parent shall deliver to the Facility Agent an agreement (in form and substance satisfactory to the Facility Agent) pursuant to which the rights and obligations of Casema Bidco under the Senior Finance Documents as a Borrower under the Casema A Term Loan Facility and the Casema

B1 Term Loan Facility are transferred (whether by novation or any form of transfer approved by the Facility Agent) to Casema Opco and such that Casema Bidco ceases to have any rights and obligations as a Borrower under such Facilities.

22.34 Security for Multikabel Intercompany Loan

- (a) In this Clause, **Multikabel Intercompany Loan** means the €419,966,650 loan made by the Parent to CBA on the Casema Closing Date the proceeds of which are used to refinance the Existing Multikabel Facilities.
- (b) If the Kabelcom Acquisition does not complete by the end of the Availability Period for the Kabelcom Term Loan Facilities and if requested by the Facility Agent, the Parent and CBA shall (at the cost of the Parent) enter into security documentation (in form and substance satisfactory to the Facility Agent, acting reasonably) pursuant to which Security Interests are granted by each of the Obligors to the Parent to secure CBA's obligations to the Parent under the Multikabel Intercompany Loan. The Parent shall ensure that its rights in such Security Interests are the subject of the Security Interests created pursuant to the Security Documents.
- (c) Each Party agrees that the Parent and the Facility Agent may make any consequential amendments to the Priority Agreement as the Facility Agent deems necessary as a result of any Security Interests being granted under paragraph (b) above, which shall include amendments to ensure that the Parent is not entitled to enforce any of the Security Interests created in accordance with paragraph (b) above without the consent of the Security Agent.

22.35 Bidco Stock Purchase Agreements

The Parent shall immediately exercise any and all rights which it may have under the Bidco Stock Purchase Agreements including, but not limited to, notifying ABN AMRO Special Corporate Services B.V. and ABN AMRO Bank N.V. as soon as it becomes apparent to the Parent that any of Casema Bidco, Kabelcom Bidco or Kabelcom Holdco has any obligations or potential obligations which are not specified in the relevant Bidco Stock Purchase Agreement.

22.36 Incorporation of New Kabelcom Bidcos

- (a) The Parent shall, prior to the Kabelcom Closing Date:
 - (i) incorporate a new wholly-owned Subsidiary (**New Kabelcom Holdco**); and
 - (ii) procure that New Kabelcom Holdco also incorporates a new wholly-owned Subsidiary (**New Kabelcom Bidco**).

The Parent shall ensure that each of New Kabelcom Holdco and New Kabelcom Bidco are private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*).

- (b) Prior to the Kabelcom Closing Date, the Parent shall procure that the rights and obligations of Kabelcom Holdco and Kabelcom Bidco under the Kabelcom Acquisition Documents and the Finance Documents are transferred to New Kabelcom Holdco and New Kabelcom Bidco respectively provided that the Parent shall not be under any such obligation to the extent that Essent N.V. or Essent Nederland B.V. refuse to cooperate with respect to such transfer under the Acquisition Documents. Immediately after such transfer, references to Kabelcom Holdco and Kabelcom Bidco in the Finance Documents shall be construed as references to New Kabelcom Holdco and New Kabelcom Bidco respectively.
- (c) After the date on which the rights and obligations of Kabelcom Holdco and Kabelcom Bidco under the Kabelcom Acquisition Documents and the Finance Documents are transferred to New Kabelcom Holdco and New Kabelcom Bidco but prior to the Kabelcom Closing Date, the Parent shall dispose of the shares of Kabelcom Holdco to Zesko B.V. or any other Holding Company of the Parent.
- (d) For the avoidance of doubt, no other provision of the Finance Documents shall restrict the completion of the transactions referred to in paragraphs (a) to (c) above.

22.37 Proceeds Loans

- (a) The principal amount of each Proceeds Loan (net of any fees (including up-front fees), any original issue discount, any underwriting commissions and discounts and costs and expenses in relation to such loan and the Senior Unsecured Notes issued to fund such Proceeds Loan and excluding any capitalised interest) must be immediately applied in prepayment of the Mezzanine Facility and, once the Mezzanine Facility has been fully and finally repaid, must be applied in prepayment of the Facility D Loans *pro rata*. After the Facility D Loans have been fully and finally repaid, the proceeds of each Proceeds Loan must be used to fund a voluntary prepayment of the Facilities in accordance with the terms of this Agreement.
- (b) Any partial prepayment of Loans under a Facility pursuant to this Clause 22.37 will be applied *pro rata* against those Loans under that Facility and against any outstanding Repayment Instalments under that Facility.
- (c) Where there is a prepayment of a Credit under this Clause 22.37, the relevant Commitments will, at the same time, be permanently reduced by the amount prepaid and no amount prepaid may be re-borrowed.

23. DEFAULT

23.1 Events of Default

Each of the events or circumstances set out in this Clause is an Event of Default.

23.2 Non-payment

An Obligor does not pay on the due date any amount payable by it under the Senior Finance Documents in the manner required under the Senior Finance Documents, unless the non-payment:

- (a) is caused by technical or administrative error by a bank in the transmission of funds; and
- (b) is remedied within three Business Days of the due date.

23.3 Breach of other obligations

- (a) An Obligor does not comply with any term of Clauses 21 (Financial Covenants) and 22.28(a)(i) (Security) provided that it will not be an Event of Default under this Clause in respect of a breach of Clause 21 (Financial Covenants) if no later than 20 Business Days after the delivery to the Facility Agent of the Compliance Certificate evidencing such breach, the Investors make a Permitted Equity Investment into the Parent and the Parent demonstrates that, if the proceeds of such Permitted Equity Investment had been treated (for the purposes of calculating the relevant financial covenant(s)) as (without double counting) part of Consolidated EBITDA, Consolidated Cashflow or (for the purposes of calculating Consolidated Total Net Borrowings only) Cash and as if such Permitted Equity Investment had been contributed on the last day of the relevant Measurement Period, it would not have been in breach of Clause 21 (Financial Covenants) in respect of that Measurement Period (an **Equity Cure**) except that:
 - (i) the Parent may not make more than four Equity Cures during the term of this Agreement;
 - (ii) the Parent may not make an Equity Cure in respect of two consecutive Measurement Periods; and
 - (iii) the aggregate amount of any Equity Cures which are deemed to count as Consolidated EBITDA shall not exceed €10,000,000.
- (b) An Obligor does not comply with any term of any Security Document, unless the non-compliance:
 - (i) is capable of remedy; and

- (ii) is remedied within 10 Business Days of the earlier of the Facility Agent giving notice of the breach to the Parent and any Obligor becoming aware of the non-compliance.
- (c) An Obligor does not comply with any term of the Senior Finance Documents (other than any term referred to in Clause 23.2 (Non-payment) or in paragraphs (a) or (b) above), unless the non-compliance:
 - (i) is capable of remedy; and
 - (ii) is remedied within 20 Business Days of the earlier of the Facility Agent giving notice of the breach to the Parent and any Obligor becoming aware of the non-compliance.

23.4 Misrepresentation

A representation or warranty made or deemed to be repeated by an Obligor in any Senior Finance Document or in any document delivered by or on behalf of any Obligor under any Senior Finance Document is incorrect or misleading in any material respect when made or deemed to be repeated, unless the circumstances giving rise to the misrepresentation or breach of warranty:

- (a) are capable of remedy; and
- (b) are remedied within 20 Business Days of the earlier of the Facility Agent giving notice of the breach to the Parent and any Obligor becoming aware of the misrepresentation or breach of warranty.

23.5 Cross-default

- (a) Any of the following occurs in respect of a member of the Group:
 - (i) any of its Financial Indebtedness (or any amount payable in respect of its Financial Indebtedness) is not paid when due (after the expiry of any originally applicable grace period); or
 - (ii) any of its Financial Indebtedness:
 - (A) becomes prematurely due and payable prior to its stated maturity or, if the Financial Indebtedness arises under a guarantee, prior to the stated maturity of the Financial Indebtedness which is the subject of the guarantee;
 - (B) is placed on demand,
 - (C) is capable of being declared by or on behalf of a creditor to be prematurely due and payable or of being placed on demand; or
 - (D) is terminated or closed out or is capable of being terminated or closed out,

in each case, prior to its stated maturity and as a result of an event of default or any provision having a similar effect (howsoever described); or
 - (iii) any commitment of a provider of Financial Indebtedness to it is cancelled or suspended, or is capable of being cancelled or suspended by such provider, in each case, as a result of an event of default or any provision having a similar effect (howsoever described),

unless the Base Currency Equivalent of the aggregate principal amount of Financial Indebtedness falling within all or any of paragraphs (A) to (C) above is less than €15,000,000.

- (b) Any amount outstanding under the Senior Secured Notes:
 - (i) becomes prematurely due and payable;

- (ii) is placed on demand; or
- (iii) is called or demanded,

in each case, as a result of an event of default or any provision having a similar effect (howsoever described).

23.6 Insolvency

Any of the following occurs in respect of a Material Group Member:

- (a) it is, or is deemed for the purposes of any applicable law to be, unable to pay its debts as they fall due or insolvent; or
- (b) it admits its insolvency or its inability to pay its debts as they fall due; or
- (c) it suspends making payments on any of its debts or announces an intention to do so; or
- (d) by reason of actual or anticipated financial difficulties, it begins negotiations with any creditor for the rescheduling or restructuring of any of its indebtedness; or
- (e) a moratorium is declared or instituted in respect of any of its indebtedness.

If a moratorium occurs in respect of any member of the Group, the ending of the moratorium will not remedy any Event of Default caused by the moratorium.

23.7 Insolvency proceedings

- (a) Except as provided in paragraph (b) below, any of the following occurs in respect of a Material Group Member:
 - (i) any step is taken with a view to a moratorium or a composition, assignment or similar arrangement with any of its creditors; or
 - (ii) a meeting of its shareholders, directors or other officers is convened for the purpose of considering any resolution for, to petition for or to file documents with a court or any registrar for its winding-up, administration or dissolution or for the seeking of relief under any applicable bankruptcy, insolvency, company or similar law or any such resolution is passed; or
 - (iii) any person presents a petition or files documents with a court or any registrar for its winding-up, administration, dissolution or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) or seeking relief under any applicable bankruptcy, insolvency, company or similar law; or
 - (iv) an order for its winding-up, administration or dissolution is made or other relief is granted under any applicable bankruptcy, insolvency, company or similar law; or
 - (v) any liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or similar officer is appointed in respect of it or any of its assets; or
 - (vi) its shareholders, directors or other officers request the appointment of, or give notice of their intention to appoint, a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or similar officer in respect of it or any of its assets; or
 - (vii) any enforcement of any Security Interest over any of its assets.

- (b) Paragraph (a) above does not apply to:
 - (i) any step or procedure which is part of a Permitted Reorganisation; or
 - (ii) a petition for winding-up presented by a creditor which is frivolous or vexatious and which is being contested in good faith and is discharged or struck out within 20 Business Days.

23.8 Creditors' process

- (a) Except as provided in paragraph (b) below, any attachment, sequestration, distress, execution or analogous event affects any asset or assets of a Material Group Member.
- (b) Paragraph (a) does not apply if:
 - (i) the asset or assets are not subject to any Security Interest under the Security Documents and the Base Currency Equivalent of the aggregate value of that asset or those assets is less than €15,000,000; or
 - (ii) that attachment, sequestration, distress, execution or analogous event is being contested in good faith and with due diligence and is discharged within 20 Business Days or, in respect of any executorial attachment (*executoriaal beslag*), 5 Business Days.

23.9 Analogous proceedings

There occurs, in relation to any Material Group Member, in any jurisdiction to which it or any of its assets are subject, any event which, in the reasonable opinion of the Majority Lenders, appears to correspond with any of those mentioned in Clauses 23.6 (Insolvency) to 23.8 (Creditors' process) (inclusive).

23.10 Cessation of business

The Group (taken as a whole) suspends, ceases, or threatens to suspend or cease, to carry on all or a substantial part of its business or to change the nature of its business from that undertaken at the date of this Agreement except:

- (a) as part of a Permitted Reorganisation; or
- (b) as a result of any disposal allowed under this Agreement.

23.11 Senior Finance Documents and Senior Unsecured Notes

- (a) It is or becomes unlawful for any Obligor to perform any of its obligations under the Senior Finance Documents in a way which is materially adverse to the interests of the Lenders under the Senior Finance Documents (taken as a whole).
- (b) Subject to the Reservations, any Senior Finance Document is not effective in accordance with its terms or is alleged by an Obligor to be ineffective in accordance with its terms for any reason in a way which is materially adverse to the interests of the Lenders under the Senior Finance Documents (taken as a whole).
- (c) Subject to the Reservations, a Security Document does not create the Security Interests it purports to create in a way which is materially adverse to the interests of the Lenders under the Senior Finance Documents (taken as a whole).
- (d) An Obligor repudiates or rescinds a Senior Finance Document or evidences an intention to repudiate or rescind a Senior Finance Document in a way which is materially adverse to the interests of the Lenders under the Senior Finance Documents (taken as a whole).
- (e) Any Event of Default (however defined and giving effect to any originally applicable grace period) is outstanding under the Senior Unsecured Notes.

23.12 Ownership of Material Group Members

The shares of an Obligor (other than the Parent) are not or cease to be owned by the Parent in the same percentage as they are owned by the Parent on the date of this Agreement or (in respect of any Obligor which is a member of a Target Group) on the relevant Closing Date except:

- (a) as part of a Permitted Reorganisation; or
- (b) as a result of any disposal allowed under this Agreement.

23.13 Priority Agreement/Parallel Priority Agreement

- (a) (i) Any party to the Priority Agreement or the Parallel Priority Agreement (other than a Finance Party) does not comply with the terms of the Priority Agreement or the Parallel Priority Agreement (as applicable) in any material respect; or
- (b) (i) a representation or warranty given by any party to the Priority Agreement or the Parallel Priority Agreement (as applicable) is incorrect in any material respect,

and, if the non-compliance or circumstances giving rise to the misrepresentation or breach of warranty are capable of remedy, such non-compliance is or circumstances are not remedied within 20 Business Days of the earlier of the Facility Agent giving notice to that party of and that party becoming aware of the non-compliance or misrepresentation or breach of warranty.

- (c) Subject to the Reservations, the Priority Agreement or the Parallel Priority Agreement (as applicable) is not effective or is alleged by a party to it (other than a Finance Party) to be ineffective in a way which is materially adverse to the interests of the Lenders under the Senior Finance Documents (taken as a whole).
- (d) Any party to the Priority Agreement or the Parallel Priority Agreement (as applicable) (other than a Finance Party) repudiates the Priority Agreement or the Parallel Priority Agreement (as applicable) or evidences an intention to repudiate it in a way which is materially adverse to the interests of the Lenders under the Senior Finance Documents (taken as a whole).

23.14 Material Audit qualification

The Auditors qualify their report (*verklaring*) on any audited consolidated Accounts of the Parent:

- (a) on the grounds that the information supplied to them or to which they had access was inadequate or unreliable; or
- (b) on the grounds that they are unable to prepare such Accounts on a going concern basis.

23.15 Expropriation

All or substantially all of the assets of the Group are the subject of any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person.

23.16 Rescission of Agreements

Any party to the Acquisition Documents or the Investor Documents rescinds or purports to rescind or repudiates or purports to repudiate any of those agreements or instruments in whole or in part where to do so would in the opinion of the Majority Lenders (acting reasonably) materially and adversely affect the interests of the Lenders under the Senior Finance Documents.

23.17 Litigation

Any litigation, arbitration, administrative, governmental, regulatory or other proceedings are commenced which is or is reasonably likely to be adversely determined against any member of the Group and which if so determined does or would have a Material Adverse Effect.

23.18 Material adverse change

Any event or series of events occurs which has or is reasonably likely to have a Material Adverse Effect.

23.19 Acceleration

- (a) Subject to Clause 4.4 (Certain Funds Period) and Clause 23.20 (Clean up Period), if an Event of Default is outstanding, the Facility Agent may, and must if so instructed by the Majority Lenders, by notice to the Parent:
 - (i) declare that an Event of Default has occurred; and/or
 - (ii) cancel all or any part of the Total Commitments; and/or
 - (iii) declare that all or part of any amounts outstanding under the Senior Finance Documents are:
 - (A) immediately due and payable; and/or
 - (B) payable on demand by the Facility Agent acting on the instructions of the Majority Lenders, and/or
 - (iv) declare that full cash cover in respect of any or each Letter of Credit is immediately due and payable.
- (b) If a Facility D Payment Default or a Facility D Insolvency Default (each as defined in the Priority Agreement) is outstanding, the Facility Agent must, if so instructed by the Majority Facility D Creditors (as defined in the Priority Agreement) and if permitted by the Priority Agreement, by notice to the Parent, take any or all of the actions referred to in (a) above, in relation to the Casema D Term Loans, the Casema D Term Loan Commitments, the Kabelcom D Term Loans and the Kabelcom D Term Loan Commitments.
- (c) If an Event of Default described in paragraph (b) of Clause 23.5 (Cross-default) is outstanding, the Facility Agent must, if so instructed by the Facility E Lender, whether or not the Facility Agent has served a notice under paragraph (a) above, by notice to the Parent:
 - (i) declare that an Event of Default has occurred in respect of Facility E; and/or
 - (ii) cancel all or any part of the Facility E Commitments; and/or
 - (iii) declare that all or part of any amounts outstanding under Facility E are:
 - (A) immediately due and payable; and/or
 - (B) payable on demand by the Facility E Lender; and/or
 - (iv) make a claim under Clause 18 (Guarantee and indemnity) for all or any part of the amounts outstanding under Facility E.
- (d) Any notice given under this Clause will take effect in accordance with its terms.

23.20 Clean up Period

- (a) Notwithstanding any other provision of any Senior Finance Document but subject to paragraph (d) below, any breach of Clauses 19 (Representations and Warranties) or 22 (General Covenants) or any event under this Clause 23 (Default) will be deemed not to be a breach of representation or warranty, a breach of covenant, a Default or an Event of Default (as the case may be):
 - (i) for a period of three months after the Casema Closing Date (the **Casema Clean up Date**) if it would have been (if it were not for this provision) a breach of representation or warranty, a breach of covenant a Default or an Event of Default only by reason of circumstances relating exclusively to any member of the Casema Group (or any obligation to procure or ensure in relation to a member of the Casema Group); and
 - (ii) for a period of three months after the Kabelcom Closing Date (the **Kabelcom Clean up Date**) if it would have been (if it were not for this provision) a breach of representation or warranty, a breach of covenant a Default or an Event of Default only by reason of circumstances relating exclusively to any member of the Kabelcom Group (or any obligation to procure or ensure in relation to a member of the Kabelcom Group),

if the conditions referred to in paragraph (b) below apply.

- (b) The conditions referred to in paragraph (a) above in relation to a breach of representation or warranty, a breach of covenant a Default or an Event of Default (as the case may be) are that:
 - (i) it is capable of remedy and reasonable steps are being taken to remedy it;
 - (ii) the circumstances giving rise to it have not been procured by or approved or consented to by any Original Obligor; and
 - (iii) it is not reasonably likely to have a Material Adverse Effect.
- (c) If the relevant circumstances are continuing on or after the Casema Clean-up Date or the Kabelcom Clean up Date (as the case may be), there shall be a breach of representation or warranty, breach of covenant or Event of Default, as the case may be notwithstanding the above (and without prejudice to the rights and remedies of the Finance Parties).
- (d) Paragraph (a) above shall not apply to Clauses 22.33 (Accession of Casema Opco as a Borrower) to 22.36 (Incorporation of New Kabelcom Bidcos).

24. THE ADMINISTRATIVE PARTIES

24.1 Appointment and duties of the Agents

- (a) Each Finance Party (other than such Agent) irrevocably appoints each Agent to act as its agent under and in connection with the Senior Finance Documents.
- (b) Each Finance Party irrevocably authorises each Agent to:
 - (i) perform the duties and to exercise the rights, powers and discretions that are specifically given to it under the Senior Finance Documents, together with any other incidental rights, powers and discretions; and
 - (ii) execute each Senior Finance Document expressed to be executed by the relevant Agent on its behalf.
- (c) Each Agent has only those duties which are expressly specified in the Senior Finance Documents. Those duties are solely of a mechanical and administrative nature.
- (d) Each Finance Party confirms that:

- (i) any Administrative Party has authority to accept on its behalf the terms of the Casema Notary Letter, the Kabelcom Notary Letter, any reliance letter or engagement letter relating to the Due Diligence Reports or any other reports or letters provided in connection with the Senior Finance Documents or the transactions contemplated by the Senior Finance Documents, to bind it in respect of those Due Diligence Reports, reports or letters and to sign that reliance letter or engagement letter on its behalf and to the extent that reliance letter or engagement letter has already been entered into ratifies those actions; and
- (ii) it accepts the terms and qualifications set out in that reliance letter or engagement letter.

24.2 Role of the Arrangers

Except as specifically provided in the Senior Finance Documents, no Arranger has any obligation of any kind to any other Party in connection with any Senior Finance Document.

24.3 No fiduciary duties

Except as specifically provided in a Senior Finance Document:

- (a) nothing in the Senior Finance Documents makes an Administrative Party a trustee or fiduciary for any other Party or any other person; and
- (b) no Administrative Party need hold in trust any moneys paid to or recovered by it for a Party in connection with the Senior Finance Documents or be liable to account for interest on those moneys.

24.4 Individual position of an Administrative Party

- (a) If it is also a Lender, each Administrative Party has the same rights and powers under the Senior Finance Documents as any other Lender and may exercise those rights and powers as though it were not an Administrative Party.
- (b) Each Administrative Party may:
 - (i) carry on any business with any Obligor or its related entities (including acting as an agent or a trustee for any other financing); and
 - (ii) retain any profits or remuneration it receives under the Senior Finance Documents or in relation to any other business it carries on with any Obligor or its related entities.

24.5 Reliance

Each Agent may:

- (a) rely on any notice or document believed by it to be genuine and correct and to have been signed by, or with the authority of, the proper person;
- (b) rely on any statement made by any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify;
- (c) assume, unless the context otherwise requires, that any communication made by an Obligor is made on behalf of and with the consent and knowledge of all the Obligors;
- (d) engage, pay for and rely on professional advisers selected by it (including those representing a Party other than that Agent); and
- (e) act under the Senior Finance Documents through its personnel and agents.

24.6 Majority Lenders' instructions

- (a) Each Agent is fully protected if it acts on the instructions of the Majority Lenders in the exercise of any right, power or discretion or any matter not expressly provided for in the Senior Finance Documents. Any such instructions given by the Majority Lenders will be binding on all the Lenders. In the absence of instructions, each Agent may act or refrain from acting as it considers to be in the best interests of all the Lenders.
- (b) Each Agent may assume that, unless it has received notice to the contrary, any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised.
- (c) Each Agent may refrain from acting in accordance with the instructions of the Majority Lenders (or, if appropriate, the Lenders) until it has received security satisfactory to it, whether by way of payment in advance or otherwise, against any liability or loss which it may incur in complying with the instructions.
- (d) Neither Agent is authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings in connection with any Senior Finance Document, unless the legal or arbitration proceedings relate to:
 - (i) the perfection, preservation or protection of rights under the Security Documents; or
 - (ii) the enforcement of any Security Document.
- (e) An Agent may require the receipt of security satisfactory to it, whether by way of payment in advance or otherwise, against any liability or loss which it may incur in complying with the instructions of the Majority Lenders.

24.7 Responsibility

- (a) No Administrative Party is responsible to any other Finance Party for the legality, validity, effectiveness, enforceability, adequacy, accuracy, completeness or performance of:
 - (i) any Senior Finance Document or any other document;
 - (ii) any statement or information (whether written or oral) made in or supplied in connection with any Senior Finance Document, including the Information Package; or
 - (iii) any observance by any Obligor of its obligations under any Senior Finance Document or any other document.
- (b) Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Senior Finance Document, each Lender confirms that it:
 - (i) has made, and will continue to make, its own independent appraisal of all risks arising under or in connection with the Senior Finance Documents (including the financial condition and affairs of each Obligor and its related entities and the nature and extent of any recourse against any Party or its assets); and
 - (ii) has not relied exclusively on any information provided to it by any Administrative Party in connection with any Senior Finance Document or agreement entered into in anticipation of or in connection with any Senior Finance Document.

24.8 Exclusion of liability

- (a) Neither Agent is liable or responsible to any other Finance Party for any action taken or not taken by it in connection with any Senior Finance Document, unless directly caused by its gross negligence or wilful misconduct.

- (b) No Party (other than the relevant Administrative Party) may take any proceedings against any of the officers, employees or agents of an Administrative Party in respect of any claim it might have against that Administrative Party or in respect of any act or omission of any kind by that officer, employee or agent in connection with any Senior Finance Document. Any officer, employee or agent of an Administrative Party may rely on this Clause and enforce its terms under the Contracts (Rights of Third Parties) Act 1999.
- (c) Neither Agent is liable for any delay (or any related consequences) in crediting an account with an amount required under the Senior Finance Documents to be paid by that Agent if that Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by that Agent for that purpose.
- (d) Nothing in this Agreement will oblige any Administrative Party to satisfy any know your customer requirement in relation to the identity of any person on behalf of any Finance Party.
- (e) Each Finance Party confirms to each Administrative Party that it is solely responsible for any know your customer requirements it is required to carry out and that it may not rely on any statement in relation to those requirements made by any other person.

24.9 Default

- (a) Neither Agent is obliged to monitor or enquire whether a Default has occurred. Neither Agent is deemed to have knowledge of the occurrence of a Default.
- (b) If the Facility Agent:
 - (i) receives notice from a Party referring to this Agreement, describing a Default and stating that the event is a Default; or
 - (ii) is aware of the non-payment of any principal, interest or fee payable to a Lender under any Senior Finance Document,
 it must promptly notify the Lenders.

24.10 Information

- (a) Each Agent must promptly forward to the person concerned the original or a copy of any document which is delivered to that Agent by a Party for that person (unless otherwise instructed by that person).
- (b) Except where a Senior Finance Document specifically provides otherwise, neither Agent is obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (c) Except as provided above, neither Agent has any duty:
 - (i) either initially or on a continuing basis to provide any Lender with any credit or other information concerning the risks arising under or in connection with the Senior Finance Documents (including any information relating to the financial condition or affairs of any Obligor or its related entities or the nature or extent of recourse against any Party or its assets) whether coming into its possession before, on or after the date of this Agreement; or
 - (ii) unless specifically requested to do so by a Lender in accordance with a Senior Finance Document, to request any certificate or other document from any Obligor.
- (d) In acting as an Agent, an Agent will be treated as acting through its agency division which will be treated as a separate entity from its other divisions and departments. Any information received or acquired by an Agent which, in its opinion, is received or acquired by another division or department or otherwise than in its capacity as an Agent may be treated as confidential by that Agent and will not be treated as information possessed by that Agent in its capacity as such.

- (e) Neither Agent is obliged to disclose to any person any confidential information supplied to it by or on behalf of a member of the Group solely for the purpose of evaluating whether any waiver or amendment is required in respect of any term of the Senior Finance Documents.
- (f) Each Obligor irrevocably authorises each Agent to disclose to the other Finance Parties any information which, in that Agent's opinion, is received by it in its capacity as an Agent.

24.11 Indemnities

- (a) Without limiting the liability of any Obligor under the Senior Finance Documents, each Lender must indemnify each Agent for that Lender's proportion of any loss or liability incurred by that Agent in acting as an Agent, except to the extent that the loss or liability is caused by that Agent's gross negligence or wilful misconduct.
- (b) A Lender's proportion of the liability or loss set out in paragraph (a) above is the proportion which its participation in the Credits and Ancillary Outstandings (if any) bear to all the Credits and Ancillary Outstandings on the date of the demand. If, however, there are no Credits or Ancillary Outstandings outstanding on the date of demand, then the proportion will be the proportion which its aggregate Commitments bear to the Total Commitments at the date of demand or, if the Total Commitments have been cancelled, bore to the Total Commitments immediately before being cancelled.
- (c) If a Party owes an amount to an Agent under the Senior Finance Documents, that Agent may after giving notice to that Party:
 - (i) deduct from any amount received by it for that Party any amount due to that Agent from that Party under a Senior Finance Document but unpaid; and
 - (ii) apply that amount in or towards satisfaction of the owed amount.

That Party will be regarded as having received the amount so deducted.

24.12 Compliance

Each Administrative Party may refrain from doing anything (including disclosing any information) which might, in its opinion, constitute a breach of any law or regulation or be otherwise actionable at the suit of any person, and may do anything which, in its opinion, is necessary or desirable to comply with any law or regulation.

24.13 Resignation

- (a) An Agent may resign and appoint any of its Affiliates acting through an office in the UK or the Netherlands as its successor Agent by giving notice to the other Finance Parties and the Parent.
- (b) Alternatively, an Agent may resign by giving notice to the Finance Parties and the Parent, in which case the Majority Lenders may appoint a successor Agent acting through an office in the UK or the Netherlands to it.
- (c) If no successor Agent has been appointed under paragraph (b) above within 30 days after notice of resignation was given, the retiring Agent may appoint a successor Agent acting through an office in the UK or the Netherlands to it.
- (d) The person(s) appointing a successor Agent must, if practicable, consult with the Parent prior to the appointment.
- (e) Except as provided below, the resignation of an Agent and the appointment of a successor Agent will both become effective only when the successor Agent notifies all the Parties that it accepts its appointment and executes and delivers to the Facility Agent a duly completed Deed of Accession (as defined in the Priority Agreement).

- (f) The resignation of a Security Agent and the appointment of a successor Security Agent will not become effective until:
 - (i) each of the Finance Parties (other than the Security Agent) confirms that it is satisfied with the credit rating of the proposed successor Security Agent; and
 - (ii) the Facility Agent confirms that it is satisfied that the rights and obligations (including the secured liabilities (howsoever described)) under the Security Documents (and any related documentation) have been transferred to or into (and where required registered in) the name of the proposed successor Security Agent.
- (g) On satisfying the above conditions, the successor Agent will succeed to the position of the retiring Agent and the term Facility Agent or Security Agent (as applicable) will mean the successor Agent.
- (h) The retiring Agent must, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Senior Finance Documents.
- (i) Upon its resignation becoming effective, this Clause will continue to benefit a retiring Agent in respect of any action taken or not taken by it in connection with the Senior Finance Documents while it was an Agent, and, subject to paragraph (h) above, it will have no further obligations under any Senior Finance Document.
- (j) The Majority Lenders may, by notice to any Agent, require it to resign under paragraph (b) above.
- (k) An Obligor must (at its own cost) take any action and execute any document which is required by the Security Agent so that a Security Document provides for effective and perfected security in favour of any successor Security Agent.

24.14 Appointment of Facility D Agent

If at any time:

- (a) the Facility Agent;
- (b) the Majority Lenders (but for this purpose excluding the Facility D Lenders); or
- (c) the Majority Facility D Lenders,

require that the Facility D Lenders appoint and maintain or have, as applicable, their own agent in respect of the Casema D Term Loan Facility and the Kabelcom D Term Loan Facility for the purpose of this Agreement and/or the Priority Agreement, then the Facility D Lenders shall promptly appoint an agent which is approved by the Facility D Lenders to act as the “Facility D Agent” under and in connection with the Senior Finance Documents (and all the parties to this Agreement acknowledge and undertake that they will take whatever action is reasonably required, including any necessary amendments to this Agreement or any other Senior Finance Document or the entry into any necessary additional document, in order to effect the appointment of such “Facility D Agent”). Upon such appointment (and subject to all necessary amendments being made to this Agreement and the other Senior Finance Documents) the Facility Agent shall cease to be the agent for the Facility D Lenders.

24.15 Relationship with Lenders

- (a) Each Agent may treat each Lender as a Lender, entitled to payments under this Agreement and as acting through its Facility Office(s) until it has received not less than five Business Days’ prior notice from that Lender to the contrary.
- (b) The Facility Agent may at any time, and must if requested to do so by the Majority Lenders, convene a meeting of the Lenders.

- (c) The Facility Agent must keep a record of all the Parties and supply any other Party with a copy of the record on request. The record will include each Lender's Facility Office(s) and contact details for the purposes of this Agreement.

24.16 Notice period

Where this Agreement specifies a minimum period of notice to be given to the Facility Agent, the Facility Agent may, at its discretion, accept a shorter notice period.

25. EVIDENCE AND CALCULATIONS

25.1 Accounts

Accounts maintained by a Finance Party in connection with this Agreement are *prima facie* evidence of the matters to which they relate for the purpose of any litigation or arbitration proceedings.

25.2 Certificates and determinations

Any certification or determination by a Finance Party of a rate or amount under the Senior Finance Documents will be, in the absence of manifest error, conclusive evidence of the matters to which it relates.

25.3 Calculations

Any interest or fee accruing under this Agreement accrues from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 or 365 days or otherwise, depending on what the Facility Agent determines is market practice.

26. FEES

26.1 Agents' fees

The Parent must pay (or ensure that there is paid) to each Agent for its own account an agency fee in the amount and in the manner agreed in the Fee Letter between that Agent and the Parent.

26.2 Arrangement fee

The Parent must pay (or ensure that there is paid) to the Arrangers for their own account an arrangement fee in the amount and in the manner agreed in the Fee Letter between the Arrangers and the Parent.

26.3 Commitment fee on Casema Term Loan Facilities

- (a) The Parent must pay (or ensure that there is paid) to the Facility Agent for the account of each Lender a commitment fee in the Base Currency computed at the rate of:
 - (i) prior to the Casema Closing Date, 0.40 per cent. per annum on the undrawn, uncanceled amount of each Lender's Casema Term Loan Commitments; and
 - (ii) after the Casema Closing Date, 0.625 per cent. per annum on the undrawn, uncanceled amount (if any) of each Lender's Casema Term Loan Commitments.
- (b) Accrued commitment fee on the Casema Term Loan Commitments shall start to accrue from and including 4th September, 2006 and will be payable on the Casema Closing Date and thereafter quarterly in arrear. Accrued commitment fee on the Casema Term Loan Commitments is also payable to the Facility Agent for a Lender on the date all or any part of its Casema Term Loan Commitments are cancelled.
- (c) No commitment fees on the Casema Term Loan Commitments will be payable if the Casema Closing Date does not occur.

26.4 Commitment fee on Kabelcom Term Loan Facilities

- (a) The Parent must pay (or ensure that there is paid) to the Facility Agent for the account of each Lender a commitment fee in the Base Currency computed at the rate of 0.625 per cent. per annum on the undrawn, uncanceled amount of each Lender's Kabelcom Term Loan Commitments.
- (b) Accrued commitment fee on the Kabelcom Term Loan Commitments shall start to accrue from and including the Casema Closing Date and will be payable on the Kabelcom Closing Date and thereafter quarterly in arrear. Accrued commitment fee on the Kabelcom Term Loan Commitments is also payable to the Facility Agent for a Lender on the date all or any part of its Kabelcom Term Loan Commitments are cancelled.
- (c) No commitment fees on the Kabelcom Term Loan Commitments will be payable if the Kabelcom Closing Date does not occur.

26.5 Commitment fee on Revolving Credit Facility and Capex/Restructuring

- (a) Subject to paragraph (b) below, the Parent must pay (or ensure that there is paid) to the Facility Agent for the account of each Lender a commitment fee in the Base Currency computed at the rate of:
 - (i) prior to the Casema Closing Date, 0.40 per cent. per annum; and
 - (ii) after the Casema Closing Date, 0.625 per cent. per annum,in each case, on the undrawn, uncanceled amount of each Lender's Revolving Credit Commitments and each Lender's Capex/Restructuring Commitments
- (b) Notwithstanding paragraph (a) above, prior to the Casema Closing Date:
 - (i) the maximum aggregate undrawn, uncanceled amount of the Lenders' Revolving Credit Commitments on which such a calculation shall be made under paragraph (a) above shall be €75,000,000 (such amount to be split pro rata between the Lenders); and
 - (ii) the maximum aggregate undrawn, uncanceled amount of the Lenders' Capex/Restructuring Commitments on which such a calculation shall be made under paragraph (a) above shall be €75,000,000 (such amount to be split pro rata between the Lenders).
- (c) Accrued commitment fee payable under paragraph (a) above (on the amounts referred to in paragraph (b) above) shall start to accrue from and including 4th September, 2006 and accrued commitment fee payable under paragraph (a) above (on the amounts in excess of the amounts referred to in paragraph (b) above) shall start to accrue from and including the Casema Closing Date. Accrued commitment fee will be payable on the Casema Closing Date and, subject to paragraph (d) below, thereafter quarterly in arrear. Accrued commitment fee on the Revolving Credit Commitments and the Capex/Restructuring Commitments is also payable to the Facility Agent for a Lender on the date all or any part of its Revolving Credit Commitments and the Capex/Restructuring Commitments (as the case may be) are cancelled.
- (d) No commitment fees on the Revolving Credit Commitments or the Capex/Restructuring Commitments will be payable if the Casema Closing Date does not occur and no commitment fees on any amount of the Revolving Credit Commitments or the Capex/Restructuring Commitments in excess of the amounts referred to in paragraph (b) above will be payable if the Kabelcom Closing Date does not occur.

27. INDEMNITIES AND BREAK COSTS

27.1 Currency indemnity

- (a) The Parent must, as an independent obligation, indemnify each Finance Party against any loss or liability which that Finance Party incurs as a consequence of:

- (i) that Finance Party receiving an amount in respect of an Obligor's liability under the Senior Finance Documents; or
- (ii) that liability being converted into a claim, proof, judgment or order,

in a currency other than the currency in which the amount is expressed to be payable under the relevant Senior Finance Document.

- (b) Unless otherwise required by law, each Obligor waives any right it may have in any jurisdiction to pay any amount under the Senior Finance Documents in a currency other than that in which it is expressed to be payable.

27.2 Acquisition indemnity

The Parent agrees to indemnify each Finance Party against any loss or liability incurred by that Finance Party in connection with or arising out of any Acquisition or the funding of any Acquisition (including any incurred in connection with any litigation, arbitration or administrative proceedings or regulatory enquiry concerning any Acquisition), unless that loss or liability is caused by the gross negligence or wilful misconduct of that Finance Party.

27.3 Other indemnities

- (a) The Parent must indemnify each Finance Party against any loss or liability which that Finance Party incurs as a consequence of:

- (i) the occurrence of any Event of Default;
- (ii) any failure by an Obligor to pay any amount due under a Senior Finance Document on its due date, including any resulting from any distribution or redistribution of any amount among the Lenders under this Agreement;
- (iii) (other than by reason of gross negligence or wilful default by that Finance Party) a Credit not being made after a Request has been delivered for that Credit; or
- (iv) a Credit (or part of a Credit) not being prepaid in accordance with this Agreement.

The Parent's liability in each case includes any loss or expense on account of funds borrowed, contracted for or utilised to fund any amount payable under any Senior Finance Document, any amount repaid or prepaid or any Credit.

- (b) The Parent must indemnify the Facility Agent against any loss or liability incurred by the Facility Agent as a result of:

- (i) investigating any event which the Facility Agent reasonably believes to be a Default; or
- (ii) acting or relying on any notice which appears on its face to be from a member of the Group and which the Facility Agent reasonably believes to be genuine, correct and appropriately authorised.

27.4 Break Costs

- (a) Each Borrower must pay to each Lender its Break Costs if a Loan or overdue amount is repaid or prepaid otherwise than on the last day of any Interest Period applicable to it.
- (b) Break Costs are the amount (if any) determined by the relevant Lender by which:
 - (i) the interest (excluding Margin) which that Lender would have received for the period from the date of receipt of any part of its share in a Loan or an overdue amount to the last day of the

applicable Interest Period for that Loan or overdue amount if the principal or overdue amount received had been paid on the last day of that Interest Period;

exceeds

- (ii) the amount which that Lender would be able to obtain by placing an amount equal to the amount received by it on deposit with a leading bank in the appropriate interbank market for a period starting on the Business Day following receipt and ending on the last day of the applicable Interest Period.
- (c) Each Lender must supply to the Facility Agent for the relevant Borrower details of the amount of any Break Costs claimed by it under this Clause.

28. EXPENSES

28.1 Initial costs

- (a) If any Facility is drawdown the Parent must pay to each Administrative Party the amount of all costs and expenses (including legal fees (subject to any agreed cap)) reasonably incurred by it or any of its Affiliates in connection with due diligence visits, the negotiation, preparation, printing, entry into and perfection of the Senior Finance Documents and other documents contemplated by the Senior Finance Documents.
- (b) Notwithstanding paragraph (a) above, whether any Facility is drawdown or not the Parent must pay to each Administrative Party the amount of all legal fees (subject to any agreed cap) incurred by it or any of its Affiliates in connection with the negotiation, preparation, printing, entry into and perfection of the Senior Finance Documents and other documents contemplated by the Senior Finance Documents.

28.2 Subsequent costs

- (a) If any Facility is drawdown the Parent must pay to each Administrative Party the amount of all costs and expenses (including legal fees (subject to any agreed cap)) reasonably incurred by it or any of its Affiliates in connection with:
 - (i) the negotiation, preparation, printing, entry into and perfection of any Senior Finance Document and other documents contemplated by the Senior Finance Documents executed after the date of this Agreement;
 - (ii) syndication of the Facilities; and
 - (iii) any amendment, waiver or consent made or granted in connection with the Senior Finance Documents.
- (b) Notwithstanding paragraph (a) above, whether any Facility is drawdown or not the Parent must pay to each Administrative Party the amount of all legal fees (subject to any agreed cap) incurred by it or any of its Affiliates in connection with any of the items referred to in sub-paragraphs (i) to (iii) above.

28.3 Enforcement costs

The Parent must pay to each Finance Party the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of, or the preservation of any rights under, any Senior Finance Document.

28.4 Security Agent's on-going costs

- (a) If:
 - (i) an Event of Default occurs; or

- (ii) the Security Agent is requested by an Obligor or the Majority Lenders to undertake duties which the Security Agent and the Parent agree to be of an exceptional nature or outside the scope of the normal duties of the Security Agent under the Security Documents,

the Parent must pay to the Security Agent any additional remuneration which may be agreed between them.

- (b) If the Security Agent and the Parent fail to agree:

- (i) whether the duties are of an exceptional nature or outside the scope of the normal duties of the Security Agent; or
- (ii) the appropriate amount of any additional remuneration,

the dispute will be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Security Agent and approved by the Parent.

- (c) If the Parent does not approve the investment bank selected by the Security Agent, the dispute will be determined by an investment bank nominated (on application by the Security Agent) by the President for the time being of the Law Society of England and Wales.
- (d) Each Party shall bear their own costs in respect of any dispute under the preceding paragraphs.
- (e) The determination of any investment bank will be final and binding on the Parties.

29. AMENDMENTS AND WAIVERS

29.1 Procedure

- (a) Except as provided in this Clause, any term of the Senior Finance Documents may be amended or waived with the agreement of the Parent and the Majority Lenders. The Facility Agent may effect, on behalf of any Finance Party, an amendment or waiver allowed under this Clause.
- (b) The Facility Agent must promptly notify the other Parties of any amendment or waiver effected by it under paragraph (a) above. Any such amendment or waiver is binding on all the Parties.
- (c) Each Obligor agrees to any amendment or waiver allowed by this Clause which is agreed to by the Parent. This includes any amendment or waiver which would, but for this paragraph, require the consent of each Guarantor if the guarantee under the Senior Finance Documents is to remain in full force and effect.

29.2 Exceptions

- (a) Other than as a result of a Facility Change, an amendment or waiver which relates to:
 - (i) the definition of **Availability Period** in Clause 1.1 (Definitions);
 - (ii) the definition of **Majority Lenders** or **Majority Facility D Lenders** in Clause 1.1 (Definitions);
 - (iii) an extension of the date of payment of any amount to a Lender under the Senior Finance Documents (other than in respect of any prepayment required under Clause 10 (Prepayment and Cancellation) excluding Clause 10.2 (Mandatory prepayment—change of control or sale of business) which, provided the amendment or waiver does not involve a change to the application of proceeds between the Facilities, shall require only the consent of the Majority Lenders);

- (iv) a reduction in the Margin (other than pursuant to Clause 11.3 (Margin adjustments)) or a reduction in the amount of or change in the currency of any payment of principal, interest, fee or other amount payable to a Lender;
- (v) an increase in, or an extension of, a Commitment or the Total Commitments;
- (vi) a release of an Obligor other than in accordance with the terms of this Agreement or the Priority Agreement;
- (vii) a release of any Security Document other than in accordance with the terms of this Agreement and the Priority Agreement;
- (viii) a term of a Senior Finance Document which expressly requires the consent of each Lender;
- (ix) the right of a Lender to assign or transfer its rights or obligations under the Senior Finance Documents;
- (x) the ranking or subordination provided for in the Priority Agreement;
- (xi) Clauses 34 (Pro rata Sharing), 39 (Governing law) or 40 (Enforcement);
- (xii) any change to any provision relating to a Facility Change including the definitions of **Facility Change** and **Permitted Facility Change** in Clause 1.1 (Definitions) (but, for the avoidance of doubt, not any amendment or change to the Finance Documents as a result of a Facility Change); or
- (xiii) this Clause 29,

may only be made with the consent of all the Lenders.

- (b) An amendment or waiver which relates to the rights or obligations of an Administrative Party may only be made with the consent of that Administrative Party.
- (c) A Fee Letter may be amended or waived with the agreement of the Administrative Party that is a party to that Fee Letter and the Parent.
- (d) An amendment or waiver which relates to the rights or obligations of any Ancillary Lender may not be effected without the prior consent of that Ancillary Lender.
- (e) If a Lender does not accept or reject within 10 Business Days (or such longer period as the Facility Agent may reasonably determine is appropriate, after consultation in good faith with the Parent) of any request for a consent, waiver or amendment being made or abstains from accepting or rejecting such request, provided that Lenders whose aggregate Commitments represent at least 50% of the Total Commitments have accepted or rejected the relevant request, the Commitments of that Lender and/or its participation in the Loans under a Facility shall not be included for the purpose of calculating the Total Commitments or participation in the Credits under that Facility when determining whether a certain percentage of Total Commitments and/or participations have been obtained to approve the consent, waiver or amendment.
- (f) Except as set out in the Priority Agreement, a Facility Change may be approved with the consent of the Majority Lenders and of each Lender that is assuming a new commitment or an increased commitment in the relevant tranche or Facility or whose commitment is being extended or redenominated, or to whom any amount is owing, which is being reduced, deferred or redenominated (as the case may be) pursuant to or in connection with any such Facility Change. The Facility Agent and the Security Agent shall be entitled to (and each Finance Party authorises them to) enter into any documentation necessary to implement a Facility Change on behalf of the relevant Finance Parties.
- (g) Any amendment or waiver relating to the provisions contained in Clause 23.19(b) (Acceleration) shall require the consent of the Majority Facility D Lenders.

- (h) Any amendment which constitutes a procedural or administrative change arising in the ordinary course of administration of the Facilities and which is not material may be made with the consent of the Parent and the Facility Agent.

29.3 Change of currency

If a change in any currency of a country occurs (including where there is more than one currency or currency unit recognised at the same time as the lawful currency of a country), the Senior Finance Documents will be amended to the extent the Facility Agent (acting reasonably and after consultation with the Parent) determines is necessary to reflect the change.

29.4 Waivers and remedies cumulative

The rights of each Finance Party under the Senior Finance Documents:

- (a) may be exercised as often as necessary;
- (b) are cumulative and not exclusive of its rights under the general law; and
- (c) may be waived only in writing and specifically.

Delay in exercising or non-exercise of any right is not a waiver of that right.

29.5 Replacement of Lender

- (a) If at any time:
 - (i) any Lender becomes a Non-Consenting Lender; or
 - (ii) an Obligor becomes obliged to repay any amount in accordance with Clause 10.1 (Mandatory prepayment—illegality) or to pay additional amounts pursuant to Clause 15 (Increased Costs) or Clause 14.1 (Tax gross-up) to any Lender in excess of amounts payable to the other Lenders generally; or
 - (iii) a Lender becomes insolvent or is put into administration,

then, subject to paragraph (b) below, the Parent may on 10 Business Days' prior written notice to the Facility Agent and that Lender, replace such Lender by requiring such Lender to (and such Lender shall) transfer pursuant to Clause 30.2 (Assignments and transfers by Lenders) all (and not part only) of its rights and obligations under this Agreement to a Lender or other bank, financial institution, trust, fund or other entity (a **Replacement Lender**) selected by the Parent, and which is acceptable to the Facility Agent (acting reasonably) and (in the case of any transfer of a Revolving Facility Commitment), the Issuing Bank (acting reasonably), which confirms its willingness to assume and does assume all the obligations of the transferring Lender (including the assumption of the transferring Lender's participations on the same basis as the transferring Lender) for a purchase price in cash payable at the time of transfer equal to the outstanding principal amount of such Lender's participation in the outstanding Utilisations and all accrued interest and/or Letter of Credit fees, Break Costs and other amounts payable in relation thereto under the Senior Finance Documents.

- (b) The replacement of a Lender pursuant to this Clause shall be subject to the following conditions:
 - (i) the Parent shall have no right to replace the Facility Agent or Security Agent;
 - (ii) neither the Facility Agent nor the Lender shall have any obligation to the Parent to find a Replacement Lender;
 - (iii) in the event of a replacement of a Non-Consenting Lender such replacement must take place no later than 45 days after the date on which the Non-Consenting Lender should have responded to any request, or the date on which the Non-Consenting Lender notifies the Parent

and the Facility Agent of its refusal to agree, to any consent, waiver or amendment to the Senior Finance Documents requested by the Parent; and

- (iv) in no event shall the Non-Consenting Lender which is to be replaced be required to pay or surrender to such Replacement Lender any of the fees received by such Lender pursuant to the Senior Finance Documents.

- (c) This Clause 29.5 shall not apply to the Facility E Lender.

30. CHANGES TO THE PARTIES

30.1 Assignments and transfers by Obligors

No Obligor may assign or transfer any of its rights and obligations under the Senior Finance Documents without the prior consent of all the Lenders.

30.2 Assignments and transfers by Lenders

- (a) A Lender (the **Existing Lender**) may, subject to the following provisions of this Clause and Clause 30.3 (Assignments and transfers—Revolving Credit Facility), at any time assign or transfer (including by way of novation) any of its rights and obligations under any Senior Finance Document to any other bank or financial institution or to a trust or fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the **New Lender**).
- (b) Unless the Parent and the Facility Agent otherwise agree, a transfer by any Existing Lender of:
 - (i) any of its rights and obligations under this Agreement relating to any of its Casema B Term Loan Commitments and/or its Casema C Term Loan Commitments and/or its Kabelcom B Term Loan Commitments and/or its Kabelcom C Term Loan Commitments must be in an amount such that, immediately after that transfer:
 - (A) the Existing Lender and the New Lender each have a Combined B/C Commitment of at least €2,000,000, or the Combined B/C Commitment of the Existing Lender is reduced to zero and the New Lender has a Combined B/C Commitment of at least €2,000,000; and
 - (B) the conditions referred to in sub-paragraph (iii) below are satisfied;
 - (ii) any of its rights and obligations under this Agreement relating to any of its Facility D Commitments must be in an amount such that, immediately after that transfer:
 - (A) the Existing Lender and the New Lender each have an aggregate Facility D Commitment of at least €2,000,000, or the aggregate Facility D Commitment of the Existing Lender is reduced to zero and the New Lender has an aggregate Facility D Commitment of at least €2,000,000; and
 - (B) the conditions referred to in sub-paragraph (iii) below are satisfied; and
 - (iii) any of its rights and obligations under this Agreement must be in an amount such that, immediately after that transfer the Existing Lender and the New Lender each have an aggregate Commitment of at least € 5,000,000, or the aggregate Commitment of the Existing Lender is reduced to zero and the New Lender has an aggregate Commitment of at least € 5,000,000.

For the purposes of this paragraph:

- (a) **Combined B/C Commitment** means, at any time, in relation to any Lender, the aggregate of its Casema B Term Loan Commitments, Casema C Term Loan Commitments, Kabelcom B Term Loan Commitments and Kabelcom C Term Loan Commitments;
- (b) Funds are **Related Funds** if they are managed or advised by the same investment manager or advisor or, if managed by different investment managers or advisors, the investment advisors or managers are Affiliates; and
- (c) to determine whether a Lender which is a Fund has satisfied the minimum Commitment levels referred to in sub-paragraphs (i) to (iii) above, the Commitments of that Fund may be aggregated with the Commitments of one or more of its Related Funds.
- (c) An Existing Lender must, unless an Event of Default is outstanding, consult with the Parent before making an assignment or transfer to a New Lender which is not another Lender or an Affiliate of a Lender.
- (d) The Facility Agent is not obliged to execute a Transfer Certificate or otherwise give effect to an assignment or transfer until it has completed all know your customer requirements to its satisfaction. The Facility Agent must promptly notify the Existing Lender and the New Lender if there are any such requirements.
- (e) If the consent of the Parent is required for any assignment or transfer (irrespective of whether it may be unreasonably withheld or not), the Facility Agent is not obliged to execute a Transfer Certificate if the Parent withholds its consent.
- (f) A transfer of obligations will be effective only if either:
 - (i) the obligations are novated in accordance with the provisions of Clause 30.5 (Procedure for transfer by assignment, release and accession or novation); or
 - (ii) rights are assigned, corresponding obligations are released and equivalent obligations are acceded to in accordance with the provisions of Clause 30.5 (Procedure for transfer by assignment, release and accession or novation).
- (g) Unless the Facility Agent otherwise agrees, the New Lender must pay to the Facility Agent for its own account, on or before the date any assignment or transfer occurs, a fee of €2,500.
- (h) Any reference in this Agreement to a Lender includes a New Lender but excludes a Lender if no amount is or may be owed to or by it under this Agreement.
- (i) A Lender may sub-participate or sub-contract its obligations under this Agreement.
- (j) Without prejudice to Clause 30.7 (Costs resulting from change of Lender or Facility Office) or any other provision of this Agreement relating to assignment or transfer by any Lender of its rights and obligations under this Agreement, any Lender which is a Fund may, without the consent of the Parent or the Facility Agent, pledge, charge, assign or create any other Security Interest in or over (whether by way of collateral or otherwise) its rights under the Senior Finance Documents to any investor in, or lender to, that Fund or any holder of obligations owed, or securities issued, by that Fund (or in favour of any trustee on behalf of that investor, lender or holder of obligations or securities) in support of its obligations to such investors, lenders, holders of obligations or securities or any such trustee. Any such pledge, charge, assignment or other Security Interest will not release the relevant Lender from its obligations under this Agreement.
- (k) The Facility Agent shall deliver to the Parent a list of all participants in the Facilities on the last day of each period of six months beginning from the date of this Agreement or upon request by the Parent.

30.3 Assignments and transfers—Revolving Credit Facility

- (a) The consent of the Issuing Bank and the each Fronted Ancillary Lender is required for a transfer or assignment which relates to a Revolving Credit Commitment.

- (b) The rights and obligations of the Existing Lender in respect of any Letter of Credit outstanding on the Transfer Date will not be transferred unless agreed by the Issuing Bank and (if so agreed), the rights and obligations of the Existing Lender and the New Lender pursuant to Clause 7.5 (Indemnities) with respect to any Letter of Credit outstanding on the Transfer Date and expressed to be the subject of the transfer in the Transfer Certificate shall be adjusted to those which they would have been had such Existing Lender and such New Lender had the Commitments expressed to be the subject of the transfer in the Transfer Certificate on the date that Letter of Credit was issued.

30.4 Assignments and transfers—Facility E

The consent of the Facility Agent is required for a transfer or assignment by the Facility E Lender, provided that:

- (a) the Facility E Lender may assign (by way of security for its obligations under the Senior Secured Notes) all but not part of its rights under the Senior Finance Documents in favour of any Senior Secured Note Trustee or any security agent for the holders of the Senior Secured Notes (a **Senior Secured Note Security Trustee**) (or in each case, its nominee);
- (b) upon an enforcement of the assignment referred to in paragraph (a) above, such Senior Secured Note Trustee or such Senior Secured Note Security Trustee (or in each case, its nominee) shall be entitled to exercise all rights and remedies of the Facility E Lender under the Senior Finance Documents; and
- (c) such Senior Secured Note Trustee or such Senior Secured Note Security Trustee (or in each case, its nominee) will take the benefit of the assignment referred to in paragraph (a) above subject to the terms of the Facility E Voting Deed Poll,

and provided further that the assignee of each assignment under paragraph (a) above shall always be the same person.

30.5 Procedure for transfer by assignment, release and accession or novation

- (a) An assignment, release and accession or a novation is effected if:
- (i) the Existing Lender and the New Lender deliver to the Facility Agent a duly completed Transfer Certificate; and
 - (ii) the Facility Agent executes it.

The Facility Agent must execute as soon as reasonably practicable a Transfer Certificate delivered to it and which appears on its face to be in order.

- (b) Each Party (other than the Existing Lender and the New Lender) irrevocably authorises the Facility Agent to execute any duly completed Transfer Certificate on its behalf.
- (c) For a transfer by assignment, release and accession under a Transfer Certificate in the form of Part 1 of Schedule 5 (Form of Transfer Certificates), on the Transfer Date:
- (i) the Existing Lender will assign absolutely to the New Lender the Existing Lender's rights expressed to be the subject of the assignment in the Transfer Certificate (and any corresponding rights conferred on it by the Priority Agreement);
 - (ii) the Existing Lender will be released from the obligations expressed to be the subject of the release in the Transfer Certificate (and any corresponding obligations by which it is bound under the Priority Agreement); and
 - (iii) the New Lender will become party to this Agreement as a Lender and to the Priority Agreement as a Senior Creditor (as defined in the Priority Agreement) and will be bound by

obligations equivalent to those from which the Existing Lender is released under subparagraph (ii) above.

- (d) For a transfer by novation under a Transfer Certificate in the form of Part 2 of Schedule 5 (Form of Transfer Certificates), on the Transfer Date:
 - (i) the New Lender will assume the rights and obligations of the Existing Lender expressed to be the subject of the novation in the Transfer Certificate (and any corresponding rights conferred on it by and obligations assumed by it in the Priority Agreement) in substitution for the Existing Lender;
 - (ii) the Existing Lender will be released from those obligations (and any corresponding obligations assumed by it in the Priority Agreement) and cease to have those rights (and any corresponding rights conferred on it by the Priority Agreement); and
 - (iii) the New Lender will become a party to this Agreement as a Lender and to the Priority Agreement as a Senior Creditor (as defined in the Priority Agreement).
- (e) The Facility Agent must, not later than 5 Business Days after it has executed a Transfer Certificate, send a copy of that Transfer Certificate to the Parent.

30.6 Limitation of responsibility of Existing Lender

- (a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:
 - (i) the financial condition of any Obligor;
 - (ii) the legality, validity, effectiveness, enforceability, adequacy, accuracy, completeness or performance of:
 - (A) any Senior Finance Document or any other document;
 - (B) any statement or information (whether written or oral) made in or supplied in connection with any Senior Finance Document; or
 - (C) any observance by any Obligor of its obligations under any Senior Finance Document or any other document,and any representations or warranties implied by law are excluded.
- (b) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:
 - (i) has made, and will continue to make, its own independent appraisal of all risks arising under or in connection with the Senior Finance Documents (including the financial condition and affairs of each Obligor and its related entities and the nature and extent of any recourse against any Party or its assets) in connection with its participation in this Agreement;
 - (ii) has not relied exclusively on any information supplied to it by the Existing Lender in connection with any Senior Finance Document; and
 - (iii) is a person whose ordinary business includes participation in syndicated facilities of this type.
- (c) Nothing in any Senior Finance Document requires an Existing Lender to:
 - (i) accept a re-transfer from a New Lender of any of the rights and obligations assigned or transferred under this Clause; or

- (ii) support any losses incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under any Senior Finance Document or otherwise.

30.7 Costs resulting from change of Lender or Facility Office

If:

- (a) a Lender assigns or transfers any of its rights and obligations under the Senior Finance Documents or changes its Facility Office; and
- (b) as a result of circumstances existing at the date the assignment, transfer or change occurs and as a result of the assignment, transfer or change, an Obligor would be or become obliged to pay a Tax Payment or an Increased Cost,

then, unless the assignment, transfer or change is made by a Lender in order to mitigate any circumstances giving rise to a Tax Payment, Increased Cost or a right to be prepaid and/or cancelled by reason of illegality, the Obligor need only pay that Tax Payment or Increased Cost to the same extent that it would have been obliged to if no assignment, transfer or change had occurred.

30.8 Security over Lenders' rights

In addition to other rights provided to Lenders under this Clause 30, each Lender (other than the Facility E Lender) may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create Security Interest in or over (whether by way of collateral or otherwise) all or any of its rights under any Senior Finance Document to secure obligations of that Lender including, without limitation:

- (a) any charge, assignment or other Security Interest to secure obligations to a federal reserve or central bank; and
- (b) in the case of any Lender which is a fund, any charge, assignment or other Security Interest granted to any holders (or trustee or representative of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Security Interest shall:

- (i) release a Lender from any of its obligations under the Senior Finance Documents or substitute the beneficiary of the relevant charge, assignment or other Security Interest for the Lender as a party to any of the Senior Finance Documents; or
- (ii) require any payments to be made by an Obligor or grant to any person any more extensive rights than those required to be made or granted to the relevant Lender under the Senior Finance Documents.

This Clause 30.8 is without prejudice to the right of the Facility E Lender to assign its rights under the Senior Finance Documents by way of security under Clause 30.4(a) (Assignments and transfers—Facility E).

30.9 Additional Obligors

(a) If:

- (i) the Parent requests that one of its wholly-owned Subsidiaries, not being a Dormant Subsidiary, becomes an Additional Obligor; or
- (ii) the Parent is required to make one of its Subsidiaries, not being a Dormant Subsidiary, an Additional Obligor,

it must give not less than three Business Days' prior notice to the Facility Agent (which must promptly notify the Lenders).

- (b) If the accession of an Additional Obligor requires any Finance Party to carry out know your customer requirements in circumstances where the necessary information is not already available to it, the Parent must promptly on request by any Finance Party supply to that Finance Party any documentation or other evidence which is reasonably requested by that Finance Party (whether for itself, on behalf of any Finance Party or any prospective new Lender) to enable a Finance Party or prospective new Lender to carry out and be satisfied with the results of all applicable know your customer requirements.
- (c) The Parent must ensure that any person required under this Agreement to become an Additional Obligor supplies to the Facility Agent all of the documents and evidence set out in Part 3 of Schedule 2 (Conditions Precedent Documents) in form and substance satisfactory to it.
- (d) The relevant Subsidiary will become an Additional Obligor on the date of the Obligor Accession Agreement executed by it.
- (e) The Parent must comply with its obligations under paragraph (a) above:
 - (i) within 14 days of the relevant person becoming a Material Subsidiary or, if Clause 22.27 (Guarantor Cover) applies, it ceasing to be unlawful or result in personal liability for the relevant person's directors or other management for that person to become a Guarantor; or
 - (ii) if the relevant person is an Additional Borrower, before the Additional Borrower may use any Facility.
- (f) The prior consent of all the Lenders under each Facility designated by the Additional Borrower in the Obligor Accession Agreement executed by it is required if the Additional Borrower is:
 - (i) not incorporated in a jurisdiction which is the same as the jurisdiction of incorporation of an existing Borrower under that Facility; or
 - (ii) an Additional Borrower whose Borrower's Tax Jurisdiction is not the same as that of an existing Borrower under that Facility.
- (g) In the case of an Additional Borrower, until the Facility Agent notifies the other Finance Parties and the Parent that it has received all of the documents and evidence referred to in paragraph (c) above in form and substance satisfactory to it, that Additional Borrower may not use any Facility. The Facility Agent must give this notification as soon as reasonably practicable after receipt of such documents and evidence in form and substance satisfactory to it.
- (h) Delivery of an Obligor Accession Agreement, executed by the relevant Subsidiary and the Parent, to the Facility Agent constitutes confirmation by that Subsidiary and the Parent that the Repeating Representations are then correct.
- (i) Each member of the Group must promptly give the Facility Agent all assistance it requires in relation to the guarantees and security to be granted pursuant to this Agreement including promptly answering all reasonable questions and requisitions of the Facility Agent and its advisors in relation to the assets of the Group.

30.10 Changes to the Reference Banks

If a Reference Bank (or, if a Reference Bank is not a Lender, the Lender of which it is an Affiliate) ceases to be a Lender, the Facility Agent must (in consultation with the Parent) appoint another Lender or an Affiliate of a Lender to replace that Reference Bank.

30.11 Affiliates of Lenders

- (a) Each Lender may fulfil its obligations in respect of any Credit or Ancillary Outstanding through an Affiliate if:

- (i) the relevant Affiliate is specified in this Agreement as a Lender or becomes a Lender by means of a Transfer Certificate in accordance with this Agreement; and
- (ii) the Credit or Ancillary Outstanding in which that Affiliate will participate are specified in this Agreement or in a notice given by that Lender to the Facility Agent and the Parent.

In this event, the Lender and the Affiliate will participate in that Credit or Ancillary Outstanding in the manner provided for in paragraph (b) below.

- (b) If paragraph (a) applies, the Lender and its Affiliate will be treated as having a single Commitment and a single vote, but, for all other purposes, will be treated as separate Lenders.

30.12 New Issuing Banks

- (a) The Issuing Bank may (with the consent of the Facility Agent) resign on giving three months' notice (or such shorter period as the Facility Agent and the Issuing Bank may agree) to the Parent and the Facility Agent but only if another Lender agrees to act as a new or replacement Issuing Bank. In this event, the Facility Agent may, with the consent of the Lender concerned, designate any Lender as a replacement Issuing Bank for future Letters of Credit. Any such resignation will not extend to or affect Letters of Credit issued before the resignation.
- (b) The relevant Lender will only become an Issuing Bank when:
 - (i) it delivers an Issuing Bank Accession Agreement to the Facility Agent;
 - (ii) the Facility Agent notifies the other Finance Parties and the Parent that the Issuing Bank Accession Agreement is in form and substance satisfactory to it; and
 - (iii) the Facility Agent executes the Issuing Bank Accession Agreement.

The Facility Agent must give this notification as soon as reasonably practicable.

30.13 Maintenance of Register

- (a) The Parent designates the Facility Agent to act as the Parent's agent to maintain (solely for the purposes of this Clause) a register (the **Register**) on which it will record the Commitments of and the outstanding amount of the Loans made by each Lender.
- (b) Any failure to make or update the Register, or any error in the Register, will not affect any Obligor's obligations in respect of those Loans.
- (c) Notwithstanding any other provision of this Clause:
 - (i) the transfer of any Commitment or any other right or obligation under the Senior Finance Documents will not be effective until that transfer is recorded on the Register maintained by the Facility Agent; and
 - (ii) before its recording, all amounts owing by the Obligors under the Senior Finance Documents to the transferor with respect to those Commitments and Loans will remain owing to the transferor.
- (d) The Facility Agent will promptly update the Register upon the relevant Transfer Date and promptly deliver a copy of the updated Register to the Parent.

31. PERMITTED EXTENDED CAPEX/ RESTRUCTURING FACILITY

- (a) The Parent may by notice to the Facility Agent establish a further capex/ restructuring facility (the **Extended Capex/Restructuring Facility**):

- (i) for a principal amount designated by the Parent in such notice (the **Requested Additional Capex/Restructuring Facility Commitment**) but provided that such amount does not exceed the amount of the undrawn Total Capex/Restructuring Commitments at close of business on the last day of the Availability Period for the Capex/ Restructuring Facility (the **Permitted Additional Capex/Restructuring Facility Commitment**);
 - (ii) with an availability period commencing on or after the first Business Day after the expiry of the Availability Period for the Capex/ Restructuring Facility and ending no later than the Final Maturity Date for the Casema D Term Loan Facility and the Kabelcom D Term Loan Facility (the **Extended Capex/Restructuring Availability Period**);
 - (iii) with the margin (and a margin ratchet (if any)) and a commitment fee rate (if any) designated by the Parent in such notice (the **Extended Capex/Restructuring Margin**) provided that such margin must not exceed one per cent. more than the Margin applicable to the Casema C Term Loans and the Kabelcom C Term Loans in effect on the Effective Date;
 - (iv) with a final maturity date designated by the Parent in such notice (the **Extended Capex/Restructuring Final Maturity Date**) provided that such date must not be earlier than the Final Maturity Date applicable to the Casema A Term Loan Facility and the Kabelcom A Term Loan Facility or later than the Final Maturity Date applicable to the Casema D Term Loan Facility and the Kabelcom D Term Loan Facility; and
 - (v) that may be repaid either as a single repayment on the Extended Capex/Restructuring Final Maturity Date or in accordance with an amortisation schedule agreed with the lenders providing the Extended Capex/Restructuring Facility .
- (b) The Parent may invite existing Lenders (or new Lenders acceding for such purpose) to assume a portion of the Requested Additional Capex/Restructuring Facility Commitment (each a **New Commitment**).
 - (c) An existing Lender agreeing to assume a New Commitment is an **Extending Lender** and any person not being a Lender agreeing to assume a New Commitment is an **Acceding Lender**.
 - (d) Nothing in this Clause 31 shall oblige any Lender to provide any New Commitment at any time.
 - (e) Following the Parent obtaining agreements from Extending Lenders and/or Acceding Lenders to assume New Commitments under this Clause 31, in order to implement such agreements the Parent shall deliver to the Facility Agent (which delivery must be not less than five Business Days prior to the first day of the Extended Capex/ Restructuring Availability Period):
 - (i) a list of the Extending Lenders and/or Acceding Lenders together with details of the amounts of their New Commitments;
 - (ii) originals (which each Acceding Lender must have executed), duly completed, of each Accession Certificate in the form of Part 1 (Form of Accession Certificate) of Schedule 20 (Extended Capex/Restructuring Facility) specifying an Accession Effective Date (as defined therein) no later than the first day of the Extended Capex/ Restructuring Availability Period (an **Accession Certificate**); and
 - (iii) originals (which each Extending Lender must have executed), duly completed, of each Extension Certificate in the form of Part 2 (Form of Extension Certificate) of Schedule 22 (Extended Capex/Restructuring Facility) specifying an Extension Effective Date (as defined therein) no later than the first day of the Extended Capex/ Restructuring Availability Period (an **Extension Certificate** and, together with the Accession Certificate, the **Accession Documents**).
 - (f) The New Commitment of an Extending Lender or an Acceding Lender for which an Accession Document has been delivered to the Facility Agent in accordance with paragraph (e) above will become available for drawing on the first day of the Extended Capex/ Restructuring Availability Period provided that, if the aggregate of such New Commitments exceeds the Permitted Additional

Capex/Restructuring Facility Commitment, the New Commitment of each Existing Lender and each Acceding Lender will be automatically and proportionately reduced so that the aggregate of the New Commitments on the first day of the Extended Capex/ Restructuring Availability Period is equal to the Permitted Additional Capex/Restructuring Facility Commitment.

- (g) Prior to any Lender being required to participate in any Loan under the Extended Capex/ Restructuring Facility (an **Extended Capex/ Restructuring Loan**), the Parent shall deliver to the Facility Agent (in form and substance satisfactory to it (acting reasonably)):
- (i) a copy of a resolution of the management board of the Parent and each Obligor approving the borrowing and/or guaranteeing (as applicable) contemplated by the New Commitments, and the execution, delivery and performance of the Accession Documents to which it is a party;
 - (ii) a specimen of the signature of each person authorised on behalf of the Parent to execute any Accession Documents or to sign or send any document or notice in connection with any Accession Documents;
 - (iii) a certificate of a director of the Parent (A) confirming that the utilisation of the New Commitments in full and the guarantee of such New Commitments pursuant to Clause 18 (Guarantee and Indemnity) would not breach any borrowing, guaranteeing, security or similar limit binding on any Obligor; and (B) certifying that each copy document specified in this Clause is correct and complete and that the original of each of those documents is in full force and effect and has not been amended or superseded as at a date no earlier than the first day of the Extended Capex/ Restructuring Availability Period;
 - (iv) a confirmation from each Obligor that the guarantee and indemnity in Clause 18 (Guarantee and Indemnity) and each Security Document to which it is party will, subject to its terms, secure the New Commitments; and
 - (v) a legal opinion of counsel approved by the Facility Agent acting reasonably in respect of the Accession Documents and the resolutions referred to in paragraph (i) above.
- (h) On and from the first day of the Extended Capex/ Restructuring Availability Period, the Agreement will be interpreted so that (except where such term is used in this Clause or in Clauses 2.10 (Capex/Restructuring Facility), 9.5 (Repayment of Capex/Restructuring Loans) and 26.5 (Commitment fee on Revolving Credit Facility and Capex/Restructuring)):
- (i) references to the **Capex/ Restructuring Facility** will be read and construed as references to the **Capex/ Restructuring Facility and/ or the Extended Capex Restructuring Facility** (as the context requires);
 - (ii) references to a **Capex/Restructuring Loan** will be read and construed as reference to a **Capex/Restructuring Loan and/or an Extended Capex/ Restructuring Loan** (as the context requires), provided that with effect from and including the first day of the Extended Capex/Restructuring Availability Period, Clause 3.3 (Capex/Restructuring Loans) shall be amended to provide that an Extended Capex/Restructuring Loan may be used to fund fees, original issue discounts and costs in relation to such Extended Capex/Restructuring Loan;
 - (iii) references to a **Capex/Restructuring Commitment** will be read and construed as references to a **Capex/ Restructuring Commitment and/ or a New Commitment** (as the context requires);
 - (iv) references to the **Total Capex/Restructuring Commitment** will be read and construed as references to the **Total Capex/ Restructuring Commitment and/ or the Total Extended Capex Restructuring Commitment** (as the context requires);
 - (v) references to **Availability Period** will, when used in the context of the Extended Capex/Restructuring Facility, be read and construed as references to the **Extended Capex/ Restructuring Availability Period**;

- (vi) references to **Final Maturity Date** will, when used in the context of the Extended Capex/Restructuring Facility, be read and construed as references to the Extended Capex/Restructuring Final Maturity Date; and
- (vii) a reference to **Margin** will, when used in the context of the Extended Capex/ Restructuring Facility be read and construed as a reference to the **Extended Capex/Restructuring Facility Margin** and a reference to **the table set out in Schedule 16** (Margin Ratchet) will be a reference to the table set out in the notice delivered to the Facility Agent under paragraph (a) above.
- (i) The maximum aggregate outstanding principal amount of all Extended Capex/Restructuring Loans (net of fees, original issue discounts and costs) and Capex/ Restructuring Loans which are used for:
 - (i) any of the purposes set out in paragraphs (a) and (b) of Clause 3.3 (Capex/Restructuring Loans) may not exceed €200,000,000 at any time; and
 - (ii) the purposes of paying Restructuring Costs may not exceed € 100,000,000 at any time.
- (j) The Parent must pay (or ensure that there is paid) to the Facility Agent for the account of each Lender a commitment fee in the Base Currency computed at the rate (if any) designated by the Parent in the notice given under paragraph (a) above on the undrawn, uncanceled amount of each Lender's New Commitment for the period from (and including) the first day of the Extended Capex/Restructuring Availability Period to and including the last day of the Extended Capex/Restructuring Availability Period.
- (k) The accrued commitment fee payable under paragraph (j) above is payable on the last day of each successive three month period which ends during the Extended Capex/Restructuring Availability Period, on the last day of Extended Capex/Restructuring Availability Period and on the cancelled amount of the relevant Lender's New Commitment at the time the cancellation is effective.

32. DISCLOSURE OF INFORMATION

- (a) Each Finance Party must keep confidential any information supplied to it by or on behalf of any Obligor in connection with the Senior Finance Documents. However, a Finance Party is entitled to disclose information:
 - (i) which is publicly available, other than as a result of a breach by that Finance Party of this Clause;
 - (ii) in connection with any legal or arbitration proceedings;
 - (iii) if required to do so under any law or regulation;
 - (iv) to a governmental, banking, taxation or other regulatory authority;
 - (v) to its professional advisers;
 - (vi) to any Investor, any member of the Group or any Affiliate of the Parent;
 - (vii) to any rating agency;
 - (viii) to the extent allowed under paragraph (b) below; or
 - (ix) with the agreement of the relevant Obligor.
- (b) A Finance Party may disclose to:
 - (i) an Affiliate or any person with whom it may enter, or has entered into, any kind of transfer, participation or other agreement in relation to this Agreement (a **participant**); or

- (ii) any other person in favour of whom (or for whose benefit) that Lender pledges, charges, assigns or otherwise creates a Security Interest (or may do so) pursuant to Clause 30.2(j) (Assignments and transfers by Lenders):
 - (A) a copy of any Senior Finance Document; and
 - (B) any information which that Finance Party has acquired under or in connection with any Senior Finance Document.

However, before a participant may receive any confidential information, the relevant Finance Party and the participant must have entered into a confidentiality undertaking substantially in the form set out in Schedule 13 (Form of LMA Confidentiality Undertaking).

- (c) This Clause supersedes any previous confidentiality undertaking given by a Finance Party in connection with this Agreement prior to it becoming a Party.

33. SET-OFF

A Finance Party may set off any matured obligation owed to it by an Obligor under the Senior Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

34. PRO RATA SHARING

34.1 Redistribution

If any amount owing by an Obligor under any of the Senior Finance Documents to a Finance Party (the **recovering Finance Party**) is discharged by payment, set-off or any other manner other than in accordance with this Agreement (a **recovery**), then:

- (a) the recovering Finance Party must, within three Business Days, supply details of the recovery to the Facility Agent;
- (b) the Facility Agent must calculate whether the recovery is in excess of the amount which the recovering Finance Party would have received if the recovery had been received by the Facility Agent under this Agreement; and
- (c) the recovering Finance Party must pay to the Facility Agent an amount equal to the excess (the **redistribution**).

34.2 Effect of redistribution

- (a) The Facility Agent must treat a redistribution as if it were a payment by the relevant Obligor under this Agreement and distribute it among the Finance Parties, other than the recovering Finance Party, accordingly.
- (b) When the Facility Agent makes a distribution under paragraph (a) above, the recovering Finance Party will be subrogated to the rights of the Finance Parties which have shared in that redistribution.
- (c) If and to the extent that the recovering Finance Party is not able to rely on any rights of subrogation under paragraph (b) above, the relevant Obligor will owe the recovering Finance Party a debt which is equal to the redistribution, immediately payable and of the type originally discharged.
- (d) If:
 - (i) a recovering Finance Party must subsequently return a recovery, or an amount measured by reference to a recovery, to an Obligor; and

- (ii) the recovering Finance Party has paid a redistribution in relation to that recovery,

each Finance Party must reimburse the recovering Finance Party all or the appropriate portion of the redistribution paid to that Finance Party, together with interest for the period while it held the redistribution. In this event, the subrogation in paragraph (b) above will operate in reverse to the extent of the reimbursement.

34.3 Exceptions

Notwithstanding any other term of this Clause, a recovering Finance Party need not pay a redistribution to the extent that:

- (a) it would not, after the payment, have a valid claim against the relevant Obligor in the amount of the redistribution; or
- (b) it would be sharing with another Finance Party any amount which the recovering Finance Party has received or recovered as a result of legal or arbitration proceedings, where:
 - (i) the recovering Finance Party notified the Facility Agent of those proceedings; and
 - (ii) the other Finance Party had an opportunity to participate in those proceedings but did not do so or did not take separate legal or arbitration proceedings as soon as reasonably practicable after receiving notice of them; or
- (c) in the case of an Ancillary Lender, to the extent that the recovery represents a reduction in the gross amount of Ancillary Outstandings to any net limit imposed under the original terms of the relevant Ancillary Facility.

35. SEVERABILITY

If a term of a Senior Finance Document is or becomes illegal, invalid or unenforceable in any respect under any jurisdiction in relation to any party to that Senior Finance Document, that will not affect:

- (a) in respect of such party the legality, validity or enforceability in that jurisdiction of any other term of the Senior Finance Documents;
- (b) in respect of any other party to such Senior Finance Document the legality, validity or enforceability in that jurisdiction of that or any other term of the Senior Finance Documents; or
- (c) in respect of any party to such Senior Finance Document the legality, validity or enforceability in other jurisdictions of that or any other term of the Senior Finance Documents.

36. COUNTERPARTS

Each Senior Finance Document may be executed in any number of counterparts. This has the same effect as if the signatures on the counterparts were on a single copy of the Senior Finance Document.

37. NOTICES

37.1 In writing

- (a) Any communication in connection with a Senior Finance Document must be in writing and, unless otherwise stated, may be given:
 - (i) in person, by post or fax; or
 - (ii) to the extent agreed by the Parties, by e-mail or other electronic communication.

- (b) For the purpose of the Senior Finance Documents, an electronic communication will be treated as being in writing and a document.
- (c) Unless it is agreed to the contrary, any consent or agreement required under a Senior Finance Document must be given in writing.

37.2 Contact details

- (a) Except as provided below, the contact details of each Party for all communications in connection with the Senior Finance Documents are those notified by that Party for this purpose to the Facility Agent on or before the date it becomes a Party.
- (b) The contact details of the Parent for this purpose are:

Address:	Fred Roeskestraat 123 1076 EE Amsterdam The Netherlands
Fax:	+31(0) 20 577 1188
Attention:	Finance Director
With a copy to:	
Address:	Cinven Limited Warwick Court Paternoster Square London EC4M 7AG United Kingdom
Fax:	+44 (0) 20 7661 3855
Attention:	Caspar Berendsen
And a copy to:	
Address:	Warburg Pincus International LLC Almack House 28 King Street, St. James's London SW1 6QW United Kingdom
Attention:	Luca Molinari / Paul Best
Fax:	+44(0) 207 321 0881

- (c) The contact details of the Facility Agent for this purpose are:

Address:	ING Commerical Banking Agency Services
Location code:	AMP D.02.007 Bijlmerplein 888 1102 MG Amsterdam The Netherlands
Fax:	+31 20 56 58226
Attention:	Rick van Ras / Olivier de Vries
Email:	rick.van.ras@ingbank.com / oliver.de.vries@ingbank.com / agency.services.AMS@ingbank.com

- (d) Any Party may change its contact details by giving five Business Days' notice to the Facility Agent or (in the case of the Facility Agent) to the other Parties.
- (e) Where a Party nominates a particular department or officer to receive a communication, a communication will not be effective if it fails to specify that department or officer.

37.3 Effectiveness

- (a) Except as provided below, any communication in connection with a Senior Finance Document will be deemed to be given as follows:

- (i) if delivered in person, at the time of delivery;
 - (ii) if posted, five days after being deposited in the post, postage prepaid, in a correctly addressed envelope;
 - (iii) if by fax, when received in legible form;
 - (iv) if by e-mail or any other electronic communication, when received in legible form; and
 - (v) if by posting to an electronic website, at the time of posting or (if the relevant recipient did not at such time have access to such website) the time at which such recipient is given access.
- (b) A communication given under paragraph (a) above but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.
 - (c) A communication to the Facility Agent will only be effective on actual receipt by it.

37.4 Obligors

- (a) All communications under the Senior Finance Documents to or from an Obligor must be sent through the Facility Agent.
- (b) All communications under the Senior Finance Documents to or from an Obligor (other than the Parent) must be sent through the Parent.
- (c) Each Obligor (other than the Parent) irrevocably appoints the Parent to act as its agent:
 - (i) to give and receive all communications under the Senior Finance Documents;
 - (ii) to supply all information concerning itself to any Finance Party; and
 - (iii) to sign all documents under or in connection with the Senior Finance Documents.
- (d) Any communication given to the Parent in connection with a Senior Finance Document will be deemed to have been given also to the other Obligors.
- (e) Each Finance Party may assume that any communication made by the Parent is made with the consent of each other Obligor.

37.5 Use of websites

- (a) Except as provided below, any Obligor may deliver any information under the Senior Finance Documents to a Lender by posting it on to an electronic website if:
 - (i) the Facility Agent and the Lender agree;
 - (ii) the Parent and the Facility Agent designate an electronic website for this purpose;
 - (iii) the Parent notifies the Facility Agent of the address of and password for the website; and
 - (iv) the information posted is in a format agreed between the Parent and the Facility Agent.

The Facility Agent must supply each relevant Lender with the address of and password for the website.

- (b) Notwithstanding the above, the Parent must supply to the Facility Agent in paper form a copy of any information posted on the website together with sufficient copies for:
 - (i) any Lender not agreeing to receive information via the website; and

- (ii) within 10 Business Days of request any other Lender, if that Lender so requests.
- (c) The Parent must, promptly upon becoming aware of its occurrence, notify the Facility Agent if:
 - (i) the website cannot be accessed;
 - (ii) the website or any information on the website is infected by any electronic virus or similar software;
 - (iii) the password for the website is changed; or
 - (iv) any information to be supplied under this Agreement is posted on the website or amended after being posted.

If the circumstances in sub-paragraphs (i) or (ii) above occur, the Parent must supply any information required under this Agreement in paper form until the Facility Agent is satisfied that the circumstances giving rise to the notification are no longer continuing.

37.6 Personal Liability

If an individual signs a certificate on behalf of any Party and the certificate proves to be incorrect, the individual will incur no personal liability as a result, unless (in the case of an Obligor only) the individual acted fraudulently or recklessly in giving the certificate. In this case any liability of the individual will be determined in accordance with applicable law.

38. LANGUAGE

- (a) Any notice given in connection with a Senior Finance Document must be in English.
- (b) Any other document provided in connection with a Senior Finance Document must be:
 - (i) in English; or
 - (ii) (unless the Facility Agent otherwise agrees) accompanied by a certified English translation. In this case, the English translation prevails unless the document is a statutory or other official document.

39. GOVERNING LAW

This Agreement is governed by English law.

40. ENFORCEMENT

40.1 Jurisdiction

- (a) The English courts have exclusive jurisdiction to settle any dispute in connection with any Senior Finance Document.
- (b) The English courts are the most appropriate and convenient courts to settle any such dispute in connection with any Senior Finance Document. Each Obligor agrees not to argue to the contrary and waives objection to those courts on the grounds of inconvenient forum or otherwise in relation to proceedings in connection with any Senior Finance Document.
- (c) This Clause is for the benefit of the Finance Parties only. To the extent allowed by law, a Finance Party may take:
 - (i) proceedings in any other court; and
 - (ii) concurrent proceedings in any number of jurisdictions.

- (d) References in this Clause to a dispute in connection with a Senior Finance Document include any dispute as to the existence, validity or termination of that Senior Finance Document.

40.2 Service of process

- (a) Each Obligor not incorporated in England and Wales shall appoint a process agent for service of process in any proceedings before the English courts in connection with any Senior Finance Document.
- (b) If any person appointed as process agent pursuant to this Clause is unable for any reason to so act, the Parent (on behalf of all the Obligors) must promptly (and in any event within 10 Business Days of such event taking place) appoint another agent on terms acceptable to the Facility Agent. Failing this, the Facility Agent may appoint another process agent for this purpose.
- (c) Each Obligor agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings.
- (d) This Clause does not affect any other method of service allowed by law.

40.3 Waiver of immunity

Each Obligor irrevocably and unconditionally:

- (a) agrees not to claim any immunity from proceedings brought by a Finance Party against it in relation to a Senior Finance Document and to ensure that no such claim is made on its behalf;
- (b) consents generally to the giving of any relief or the issue of any process in connection with those proceedings; and
- (c) waives all rights of immunity in respect of it or its assets.

40.4 Waiver

Each Obligor irrevocably waives any right it may have at any time to:

- (a) suspend (*opschorten*) any obligation under this Agreement under sections 6:52, 6:262 and 6:263 of the Dutch Civil Code or any other applicable law; or
- (b) rescind (*ontbinden*) this Agreement, in whole or in part, under section 6:265 of the Dutch Civil Code or any other applicable law.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement.

**SCHEDULE 1
ORIGINAL PARTIES**

**PART 1
ORIGINAL OBLIGORS**

Name of Original Borrower	Jurisdiction of incorporation	Registration number (or equivalent, if any)
Plinius Investments B.V.	Netherlands	33232525
Serpering Investments B.V.	Netherlands	30013097
Torensplits B.V.	Netherlands	33242788

Name of Original Guarantor	Jurisdiction of incorporation	Registration number (or equivalent, if any)
Amsterdamse Beheer- En Consultingmaatschappij B.V.	Netherlands	33195889
Christina Beheer- En Adviesmaatschappij B.V.	Netherlands	33195896
Plinius Investments B.V.	Netherlands	33232525
PrimaCom Netherlands Holding B.V.	Netherlands	34139387
Serpering Investments B.V.	Netherlands	30013097
Torensplits B.V.	Netherlands	33242788

PART 2
ORIGINAL LENDERS

Casema Term Loan Commitments

Name of Original Lenders	A (€)	B1 (€)	B2 (€)	C (€)	D (€)	Total
ABN AMRO Bank N.V.	49,500,000	90,493,264.40	47,006,735.60	137,500,000	33,000,000	357,500,000
Credit Suisse.....	49,500,000	90,493,264.40	47,006,735.60	137,500,000	33,000,000	357,500,000
Goldman Sachs Credit Partners, L.P.....	49,500,000	90,493,264.40	47,006,735.60	137,500,000	33,000,000	357,500,000
ING Bank N.V.....	49,500,000	90,493,264.40	47,006,735.60	137,500,000	33,000,000	357,500,000
Morgan Stanley Senior Funding, Inc.....	27,000,000	49,359,962.40	25,640,037.60	75,000,000	18,000,000	195,000,000
Total.....	225,000,000	411,333,020	213,666,980	625,000,000	150,000,000	1,625,000,000

Kabelcom Term Loan Commitments

Name of Original Lenders	A (€)	B (€)	C (€)	D (€)	Total
ABN AMRO Bank N.V.	60,500,000	104,500,000	104,500,000	22,000,000	291,500,000
Credit Suisse.....	60,500,000	104,500,000	104,500,000	22,000,000	291,500,000
Goldman Sachs Credit Partners, L.P.....	60,500,000	104,500,000	104,500,000	22,000,000	291,500,000
ING Bank N.V.....	60,500,000	104,500,000	104,500,000	22,000,000	291,500,000
Morgan Stanley Senior Funding, Inc.....	33,000,000	57,000,000	57,000,000	12,000,000	159,000,000
Total.....	275,000,000	475,000,000	475,000,000	100,000,000	1,325,000,000

Capex/Restructuring Commitments and Revolving Credit Commitments

Name of Original Lenders	Capex/Restructuring Commitments	Revolving Credit Commitments	Total
ABN AMRO Bank N.V.	55,000,000	33,000,000	88,000,000
Credit Suisse.....	55,000,000	33,000,000	88,000,000
Goldman Sachs Credit Partners, L.P.	55,000,000	33,000,000	88,000,000
ING Bank N.V.	55,000,000	33,000,000	88,000,000
Morgan Stanley Senior Funding, Inc.....	30,000,000	18,000,000	48,000,000
Total.....	250,000,000	150,000,000	400,000,000

SCHEDULE 2
CONDITIONS PRECEDENT DOCUMENTS

PART 1
TO BE DELIVERED BEFORE THE FIRST UTILISATION OF
THE CASEMA TERM LOAN FACILITIES

Original Obligor

1. A copy of the articles of association (*statuten*) deposited with the relevant Trade Register of the Chamber of Commerce of each Original Obligor.
2. A copy of the deed of incorporation (*akte van oprichting*) of each Original Obligor (other than Casema Bidco and Kabelcom Holdco).
3. An extract (*uittreksel*) of the registration of each Original Obligor in the trade register of the chamber of commerce.
4. A copy of a resolution of the managing board, supervisory board (if any) and shareholders in general meeting of each Original Obligor approving the terms of, the transactions contemplated by, and the execution, delivery and performance of the Senior Finance Documents.
5. A copy of an unconditional positive advice from the works councils of:
 - (a) each applicable member of the Multikabel Group and of the Casema Group, in each case, approving the Casema Acquisition and the Kabelcom Acquisition (to the extent necessary) and the Facilities, the Mezzanine Facility, the guarantees given under the Senior Finance Documents and the Mezzanine Finance Documents and the Security Interests granted under the Security Documents; and
 - (b) Essent Kabelcom B.V. and each applicable member of the Kabelcom Group, in each case, approving the Kabelcom Acquisition, the Facilities, the Mezzanine Facility, the guarantees given under the Senior Finance Documents and the Mezzanine Finance Documents and the Security Interests granted under the Security Documents.
6. A specimen of the signature of each person authorised on behalf of each Original Obligor to execute the entry into any Senior Finance Document or to sign or send any document or notice in connection with any Senior Finance Document.
7. For each Original Obligor which is not incorporated under the laws of England and Wales, evidence that its agent under the Senior Finance Documents for service of process in England has accepted its appointment.
8. A copy of the original shareholders register of each Original Obligor (other than the Parent), Casema and Multikabel B.V.

Finance Documents

9. A copy of this Agreement duly entered into by each of the parties to it.
10. A copy of the Mezzanine Credit Agreement duly entered into by each of the parties to it.
11. A copy of the Priority Agreement duly entered into by each of the parties to it.
12. A copy of the Hedging Letter duly entered into by each of the parties to it.
13. A copy of each Fee Letter duly entered into by each of the parties to it.

14. A copy of each of the Security Documents identified in Schedule 6 (Security Documents and Guarantors) as being executed on the Casema Closing Date, each duly executed by the parties to it.

Other funding documents

15. A copy of each Investor Document, duly entered into by each of the parties to it.
16. A copy of a Request (under and as defined in the Mezzanine Credit Agreement) evidencing that Casema Bidco has requested €475,000,000 to be drawn down in cash on the Casema Closing Date under the Mezzanine Credit Agreement.
17. Evidence that €514,445,250 (€514,394,250 in cash and €51,000 in kind) has been (or will be on or before the Casema Closing Date) subscribed for shares or loan stock in the Parent under the Investor Documents in accordance with the Casema Structure Memorandum.
18. Evidence that the amount to be subscribed in cash for shares or loan stock in the Parent referred to above combined with the implied equity in the Multikabel Group (calculated on the basis that the Multikabel Group is revalued at the same EBITDA multiple as that applied to the acquisition of the Casema Group) represents at least 25% of total capitalisation in aggregate of the Parent.

Casema Acquisition Documents

19. A copy of the duly executed the Casema Acquisition Documents.
20. A certificate from an authorised signatory of the Parent that:
 - (a) no term of the Casema Acquisition Documents has been amended or waived in a manner which is materially adverse to the interests of the Finance Parties unless with the consent of the Arrangers (acting reasonably);
 - (b) the Merger Condition (as defined in the Casema Acquisition Documents) has been satisfied (or has not been amended or waived in a manner which is materially adverse to the interests of the Finance Parties under the Senior Finance Documents unless with the consent of the Arrangers (acting reasonably));
 - (c) the Casema Acquisition Documents have become unconditional in all respects (subject only to the availability of the Casema Term Loan Facilities and the portion of the Mezzanine Facility to be made available in respect of the Casema Acquisition); and
 - (d) all of the conditions precedent to the utilisation of the Mezzanine Facility on or before the Casema Closing Date specified in part 1 of schedule 2 of the Mezzanine Credit Agreement have been satisfied.
21. A copy of approval from the NMa and/or the relevant EU competition authorities (as the case may be) in respect of the Casema Acquisition.
22. A copy of the Casema Notary Letter.

Legal opinions

23. A legal opinion of Allen & Overy LLP, legal advisers as to matters of English law to the Arrangers and the Facility Agent, addressed to the Finance Parties.
24. A legal opinion of Allen & Overy LLP, legal advisers as to matters of Dutch law to the Arrangers and the Facility Agent, addressed to the Finance Parties.

Other documents and evidence

25. A signed final copy of:

- (a) each of the Casema Due Diligence Reports, together with confirmation from the provider of that Casema Due Diligence Report that it can be relied upon by the Finance Parties; and
 - (b) each of the Kabelcom Due Diligence Reports, together with confirmation from the provider of that Kabelcom Due Diligence Report (other than the tax due diligence report by Ernst & Young dated 26th June, 2006 referred to in paragraph (d) of the definition of Kabelcom Due Diligence Reports) that it can be relied upon by the Finance Parties.
- 26. A copy of the Base Case Model.
- 27. A copy of:
 - (a) the Casema Original Financial Statements;
 - (b) the Multikabel Original Financial Statements; and
 - (c) the Kabelcom Original Financial Statements.
- 28. A copy of the Casema Structure Memorandum and the Kabelcom Structure Memorandum.
- 29. A copy of the Casema Structure Chart and the Kabelcom Structure Chart.
- 30. A copy of the Casema Funds Flow Statement.
- 31. An opening consolidated balance sheet of the Parent:
 - (a) as at the Casema Closing Date assuming that the Casema Acquisition has been completed; and
 - (b) as at the Kabelcom Closing Date assuming that the Kabelcom Acquisition has been completed.
- 32. Evidence that all fees and expenses (including legal fees of the Administrative Parties, subject to any agreed caps) then due and payable by Casema Bidco under this Agreement have been or will be paid on the first Utilisation Date from the proceeds of the Loans (and the Mezzanine Loan) advanced on the Casema Closing Date.
- 33. Evidence that all Financial Indebtedness of the Multikabel Group and the Casema Group has been (or will be on the Casema Closing Date) irrevocably discharged in full other than any Financial Indebtedness permitted under the Senior Finance Documents.
- 34. Evidence that all Security Interests over the assets of the Multikabel Group and the Casema Group have been (or will be on the Casema Closing Date) released other than Security Interests permitted under the Senior Finance Documents.
- 35. A copy of all documents or evidence required by the Finance Parties to comply with the Financial Services Act 1993 (*Wet Identificatie bij Dienstverlening 1993*) or other relevant know your customer requirements.
- 36. A copy of each of the Bidco Stock Purchase Agreements together with a copy of an agreement (or agreements) pursuant to which the rights under the Bidco Stock Purchase Agreements are transferred from Zesko B.V. to the Parent and evidence that such rights are the subject of a Security Interest created under the Security Documents.

PART 2
TO BE DELIVERED BEFORE THE FIRST UTILISATION OF
THE KABELCOM TERM LOAN FACILITIES

Casema Acquisition

1. Evidence that the Casema Closing Date has occurred.

Finance Documents

2. A Request executed by the Parent and Kabelcom Bidco.
3. An original of each of the Security Documents identified in Schedule 6 (Security Documents and Guarantees) as being executed on the Kabelcom Closing Date, each duly executed by the parties to it.

Other funding documents

4. A copy of a Request (under and as defined in the Mezzanine Credit Agreement) evidencing that Kabelcom Bidco or Kabelcom Holdco has requested €525,000,000 to be drawn down in cash on the Kabelcom Closing Date under the Mezzanine Credit Agreement.
5. Evidence that Zesko B.V. or any other Holding Company of the Parent has subscribed (or will, on the Kabelcom Closing Date, subscribe) in cash for shares or loan stock in the Parent under the Investor Documents in accordance with the Kabelcom Structure Memorandum in the amount set out in the Base Case Model.
6. Evidence that the amount (to be) subscribed in cash for shares or loan stock in the Parent referred to above together with any amount(s) previously subscribed in cash for shares or loan stock in the Parent, combined with the implied equity in the Group (calculated on the basis that the Group is revalued at the same EBITDA multiple as that applied to the acquisition of the Kabelcom Group) represents at least 25% of total capitalisation in aggregate of the Parent.
7. A copy of any vendor loan documentation entered into by any Holding Company of the Parent in respect of the Kabelcom Acquisition.

Kabelcom Acquisition Documents

8. A copy of the duly executed the Kabelcom Acquisition Documents (other than the Kabelcom SPA).
9. A certificate from an authorised signatory of the Parent that:
 - (a) no term of the Kabelcom Acquisition Documents has been amended or waived in a manner which is materially adverse to the interests of the Finance Parties unless with the consent of the Arranger (acting reasonably);
 - (b) the Merger Control Condition (as defined in the Kabelcom Acquisition Documents) has been satisfied (or has not been amended or waived in a manner which is materially adverse to the interests of the Finance Parties under the Senior Finance Documents unless with the consent of the Arranger (acting reasonably));
 - (c) the Kabelcom Acquisition Documents have become unconditional in all respects (subject only to the availability of the Kabelcom Term Loan Facilities and the portion of the Mezzanine Facility to be made available in respect of the Kabelcom Acquisition); and
 - (d) all of the conditions precedent to the utilisation of the Mezzanine Facility on or before the Casema Closing Date specified in part 1 of schedule 2 of the Mezzanine Credit Agreement have been satisfied.

10. A copy of approval from the NMa and/or the relevant EU competition authorities (as the case may be) in respect of the Kabelcom Acquisition.
11. A copy of the Kabelcom Notary Letter.

Legal opinions

12. A legal opinion of Allen & Overy LLP, legal advisers as to matters of English law to the Arrangers and the Facility Agent, addressed to the Finance Parties.
13. A legal opinion of Allen & Overy LLP, legal advisers as to matters of Dutch law to the Arrangers and the Facility Agent, addressed to the Finance Parties.

Other documents and evidence

14. A copy of the Kabelcom Funds Flow Statement.
15. Evidence that all fees and expenses (including legal fees of the Administrative Parties) subject to any agreed caps then due and payable by Kabelcom Bidco under this Agreement have been or will be paid on the first Utilisation Date from the proceeds of the Loans advanced on the Kabelcom Closing Date.
16. Evidence that all Financial Indebtedness of the Kabelcom Group has been (or will be on the Kabelcom Closing Date) irrevocably discharged in full other than any Financial Indebtedness permitted under the Senior Finance Documents.
17. Evidence that all Security Interests over the assets of the Kabelcom Group have been (or will be on the Kabelcom Closing Date) released other than Security Interests permitted under the Senior Finance Documents.
18. A copy of all documents or evidence required by the Finance Parties to comply with the Financial Services Act 1993 (*Wet Identificatie bij Dienstverlening 1993*) or other relevant know your customer requirements.
19. An updated version of the Kabelcom Structure Memorandum (if any), provided that any amendments or changes to the Kabelcom Structure Memorandum delivered as a condition precedent to the Casema Closing Date are not materially prejudicial to the interests of the Lenders.

PART 3
TO BE DELIVERED IN RESPECT OF AN ADDITIONAL OBLIGOR

Additional Obligors

1. An Obligor Accession Agreement, duly executed by the Parent and the Additional Obligor.
2. An original of each of the Security Documents identified in Schedule 6 (Security Documents and Guarantors) as being executed by that Additional Obligor, each duly executed by the parties to it.
3. A copy of the articles of association (*statuten*) deposited with the relevant Trade Register of the Chamber of Commerce of each Additional Obligor.
4. A copy of the deed of incorporation (*akte van oprichting*) of each Additional Obligor.
5. An extract (*uittreksel*) of the registration of each Additional Obligor in the trade register of the chamber of commerce.
6. A copy of a resolution of the managing board, supervisory board (if any) and shareholders in general meeting of each Additional Obligor approving the terms of, the transactions contemplated by, and the execution, delivery and performance of the Obligor Accession Agreement and the Senior Finance Documents.
7. A copy of an unconditional positive advice from the works council of the Additional Obligor (if any and except to the extent already provided under Parts 1 or 2 of this Schedule) approving the Facilities, the guarantees given under the Senior Finance Documents and the Security Interests granted under the Security Documents.
8. A specimen of the signature of each person authorised on behalf of each Additional Obligor to execute the entry into of any Senior Finance Document or to sign or send any document or notice in connection with any Senior Finance Document.
9. A certificate of an authorised signatory of the Additional Obligor:
 - (a) confirming that utilising the Total Commitments in full would not breach any limit binding on it; and
 - (b) certifying that each copy document specified in this Part 3 of this Schedule is correct and complete and that the original of each of those documents is in full force and effect and has not been amended or superseded as at a date no earlier than the date of the Obligor Accession Agreement.
10. If available, a copy of the latest audited accounts of the Additional Obligor.
11. For any Additional Obligor which is not incorporated under the laws of England and Wales, evidence that its agent under the Senior Finance Documents for service of process in England has accepted its appointment.
12. If any Additional Obligor is not incorporated under the laws of the Netherlands, any documents which correspond to any of the items above.

Legal opinions

13. A legal opinion of Allen & Overy LLP, legal advisers as to matters of English law to the Facility Agent, addressed to the Finance Parties.
14. A legal opinion of Allen & Overy LLP, legal advisers as to matters of Dutch law to the Facility Agent, addressed to the Finance Parties.

Other documents and evidence

15. Evidence that all expenses due and payable from the Parent under this Agreement in respect of the Obligor Accession Agreement have been paid.
16. A copy of any other authorisation or other document, opinion or assurance which the Facility Agent notifies the Parent is necessary or desirable in connection with the entry into and performance of, and the transactions contemplated by, the Obligor Accession Agreement or for the validity and enforceability of any Senior Finance Document.

PART 4
TO BE DELIVERED IN RESPECT OF THE INITIAL FACILITY E LOAN

1. A duly executed Facility E Commitment Letter.
2. A copy of a Deed of Accession (as defined in the Priority Agreement) pursuant to which the Facility E Lender has acceded to the Priority Agreement as a Priority Creditor (as defined in the Priority Agreement).
3. A copy of all documents or evidence required by the Finance Parties to comply with know your customer requirements.
4. Any additional Security Documents in respect of the relevant Facility E Tranche so that the relevant Facility E Tranche may benefit from the same Security Interests that secure the other Facilities (subject to the Agreed Security Principles), provided that:
 - (a) such additional Security Documents shall not require the release of any Security Interest in favour of the Finance Parties and shall not invalidate or render void any such existing Security Interest; and
 - (b) no Obligor shall (and each Obligor shall ensure that no member of the Group will) grant any Security Interests or guarantees to the Facility E Lender which are additional to those granted (in the case of guarantees) in favour of the other Finance Parties and (in the case of Security Interests) over assets other than those that are the subject of a Security Interest under the Security Documents in favour of the other Finance Parties.
5. A duly executed Covenant Agreement.
6. Evidence that the underlying Senior Secured Notes funding the relevant Facility E Tranche have been issued and the relevant Senior Secured Note Indenture has been duly executed and delivered by parties thereto.
7. Any corporate authorisations, legal opinions or other documents specified in the schedule to the relevant Facility E Commitment Letter.

PART 5
TO BE DELIVERED IN RESPECT OF A FACILITY E LOAN
(OTHER THAN THE INITIAL FACILITY E LOAN)

1. A duly executed Facility E Commitment Letter.
2. A copy of all documents or evidence required by the Finance Parties to comply with know your customer requirements.
3. Any additional Security Documents in respect of the relevant Facility E Tranche so that the relevant Facility E Tranche may benefit from the same Security Interests that secure the other Facilities (subject to the Agreed Security Principles), provided that:
 - (a) such additional Security Documents shall not require the release of any Security Interest in favour of the Finance Parties and shall not invalidate or render void any such existing Security Interest; and
 - (b) no Obligor shall (and each Obligor shall ensure that no member of the Group will) grant Security Interests and guarantees to the Facility E Lender which are additional to those granted (in the case of guarantees) in favour of the other Finance Parties and (in the case of Security Interests) over assets other than those that are the subject of a Security Interest under the Security Documents in favour of the other Finance Parties.
4. Any corporate authorisations, legal opinions or other documents specified in the schedule to the relevant Facility E Commitment Letter.
5. Evidence that the underlying Senior Secured Notes funding the relevant Facility E Tranche have been issued and the relevant Senior Secured Note Indenture has been duly executed and delivered by parties thereto.

SCHEDULE 3
FORM OF REQUEST

To: ING Bank N.V. as Facility Agent
From: [Amsterdamse Beheer- En Consultingmaatschappij B.V./name of Borrower]
Date: []

Amsterdamse Beheer- En Consultingmaatschappij B.V.—Credit Agreement
dated 12th September, 2006 as amended and/or amended and restated from time to time (the Agreement)

1. We refer to the Agreement. This is a Request.
2. We wish to [borrow a[n] [Casema A Term Loan / Casema B1 Term Loan / Casema B2 Term Loan / Casema C Term Loan / Casema D Term Loan / Kabelcom A Term Loan / Kabelcom B Term Loan / Kabelcom C Term Loan / Kabelcom D Term Loan / Capex/Restructuring Loan / Revolving Credit Loan / Facility E Loan (under Facility E Tranche [tranche number]) / Extended Capex/Restructuring Loan] [arrange for a Letter of Credit to be issued under the Revolving Credit Facility] [renew a Letter of Credit] on the following terms:
 - (a) Borrower: []
 - (b) Utilisation Date: []
 - (c) Amount/currency: []
 - (d) Interest Period: []
 - (e) [Maturity Date: []]
 - (f) [Terms Loans to be repaid with the proceeds of this Facility E Loan: []]⁽¹⁾

(1) To include in a Request for a Facility E Loan.

3. Our [payment/delivery] instructions are: [].
4. We confirm that each condition precedent under the Agreement which must be satisfied on the date of this Request is so satisfied.
5. This Request is irrevocable.
6. [We attach a copy of the proposed Letter of Credit.]

By:

[Amsterdamse Beheer- En Consultingmaatschappij B.V./Name of Borrower]

SCHEDULE 4
CALCULATION OF THE MANDATORY COST

1. General

- (a) The Mandatory Cost is to compensate a Lender for the cost of compliance with:
- (i) the requirements of the Bank of England and/or the Financial Services Authority (or, in either case, any other authority which replaces any of its functions); or
 - (ii) the requirements of the European Central Bank.
- (b) The Mandatory Cost is expressed as a percentage rate per annum.
- (c) The Mandatory Cost is the weighted average (weighted in proportion to the percentage share of each Lender in the relevant Loan) of the rates for the Lenders calculated by the Facility Agent in accordance with this Schedule on the first day of an Interest Period (or as soon as possible after then).
- (d) The Facility Agent must distribute each amount of Mandatory Cost among the Lenders on the basis of the rate for each Lender.
- (e) Any determination by the Facility Agent pursuant to this Schedule will be, in the absence of manifest error, conclusive and binding on all the Parties.

2. For a Lender lending from a Facility Office in the U.K.

- (a) The relevant rate for a Lender lending from a Facility Office in the U.K. is calculated in accordance with the following formulae:

$$\frac{E \times 0.01}{300} \quad \text{per cent. per annum}$$

for any other Loan:

where on the day of application of the formula:

E is calculated by the Facility Agent as being the average of the rates of charge under the fees rules supplied by the Reference Banks to the Facility Agent under paragraph (c) below and expressed in pounds per £1 million.

- (b) For the purposes of this paragraph 2:
- (i) **eligible liabilities** and **special deposit(s)** have the meanings given to them at the time of application of the formula pursuant to the Bank of England Act 1998 or (as appropriate) by the Bank of England;
 - (ii) **fees rules** means then current rules on periodic fees in the Supervision Manual of the FSA Handbook or any other law or regulation as may then be in force for the payment of fees for the acceptance of deposits;
 - (iii) **fee tariffs** means the fee tariffs specified in the fees rules under fee-block Category A1 (Deposit acceptors) (ignoring any minimum fee or zero rated fee required pursuant to the fees rules but applying any applicable discount rate); and
 - (iv) **tariff base** has the meaning given to it in, and will be calculated in accordance with, the fees rules.

- (c) If requested by the Facility Agent, each Reference Bank must, as soon as practicable after publication by the Financial Services Authority, supply to the Facility Agent the rate of charge payable by that Reference Bank to the Financial Services Authority under the fees rules for that financial year of the Financial Services Authority (calculated by that Reference Bank as being the average of the fee tariffs applicable to that Reference Bank for that financial year) and expressed in pounds per £1 million of the tariff base of that Reference Bank.
- (d) Each Lender must supply to the Facility Agent the information required by it to make a calculation of the rate for that Lender. In particular, each Lender must supply the following information on or prior to the date on which it becomes a Lender:
 - (i) the jurisdiction of its Facility Office; and
 - (ii) any other information that the Facility Agent reasonably requires for that purpose.

Each Lender must promptly notify the Facility Agent of any change to the information supplied to it under this paragraph.

- (e) The rates of charge of each Reference Bank for the purpose of E above are determined by the Facility Agent based upon the information supplied to it under paragraphs (c) and (d) above. Unless a Lender notifies the Facility Agent to the contrary, the Facility Agent may assume that the Lender's obligations in respect of cash ratio deposits and special deposits are the same as those of a typical bank from its jurisdiction of incorporation with a Facility Office in the U.K.
- (f) The Facility Agent has no liability to any Party if its calculation over or under compensates any Lender. The Facility Agent is entitled to assume that the information provided by any Lender or Reference Bank under this Schedule is true and correct in all respects.

3. For a Lender lending from a Facility Office in a Participating Member State

- (a) The relevant rate for a Lender lending from a Facility Office in a Participating Member State is the percentage rate per annum notified by that Lender to the Facility Agent. This percentage rate per annum must be certified by that Lender in its notice to the Facility Agent as its reasonable determination of the cost (expressed as a percentage of that Lender's share in all Loans made from that Facility Office) of complying with the minimum reserve requirements of the European Central Bank in respect of Loans made from that Facility Office.
- (b) If a Lender fails to specify a rate under paragraph (a) above, the Facility Agent will assume that the Lender has not incurred any such cost.

4. Changes

- (a) The Facility Agent may, after consultation with the Parent and the Lenders, determine and notify all the Parties of any amendment to this Schedule which is required to reflect:
 - (i) any change in law or regulation; or
 - (ii) any requirement imposed by the Bank of England, the Financial Services Authority or the European Central Bank (or, in any case, any successor authority).
- (b) If the Facility Agent, after consultation with the Parent, determines that the Mandatory Cost for a Lender lending from a Facility Office in the U.K. can be calculated by reference to a screen, the Facility Agent may notify all the Parties of any amendment to this Agreement which is required to reflect this.

SCHEDULE 5
FORM OF TRANSFER CERTIFICATES

PART 1
TRANSFERS BY ASSIGNMENT, RELEASE AND ACCESSION

To: ING Bank N.V. as Facility Agent
From: [THE EXISTING LENDER] (the **Existing Lender**) and [THE NEW LENDER] (the **New Lender**)
Date: []

Amsterdamse Beheer- En Consultingmaatschappij B.V.—Credit Agreement
dated 12th September, 2006 as amended and/or amended and restated from time to time (the Agreement)

1. We refer to the Agreement. This is a Transfer Certificate.
2.
 - (a) The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Agreement which correspond to that portion of the Existing Lender's Commitments and participations in Credits under the Agreement specified in the schedule to this Transfer Certificate (the **Schedule**).
 - (b) The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender's Commitments and participations in Credits under the Agreement specified in the Schedule.
 - (c) The New Lender becomes a Lender under the Agreement and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph 2(b) above.
3. The proposed Transfer Date is [].
4. On the Transfer Date the New Lender becomes:
 - (a) party to the Agreement as a Lender; and
 - (b) party to the Priority Agreement as a Senior Creditor.
5. [The Issuing Bank approves the identity of the New Lender for the purposes of Clause 30.3 (Assignments and transfers—Revolving Credit Facility) of the Agreement.]
6. The administrative details of the New Lender for the purposes of the Agreement are set out in the Schedule.
7. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations in respect of this Transfer Certificate contained in the Agreement.
8. This Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of the Transfer Certificate.
9. This Transfer Certificate has been entered into on the date stated at the beginning of this Transfer Certificate and is governed by English law.

THE SCHEDULE

Rights and obligations to be transferred by assignment, release and accession

[insert relevant details, including applicable Commitment (or part) and participation in Credits]

Commitments

[Insert relevant Commitments]

Participations in Loans

[Insert relevant drawn Loans]

Letters of Credit Outstanding on the Transfer Date

[Insert issued Letters of Credit including outstanding amount, start date and expiry date]

Administrative details of the New Lender

[insert details of Facility Office, address for notices and payment details etc.]

[EXISTING LENDER]

By:

[NEW LENDER]

By:

The Transfer Date is confirmed by the Facility Agent as [].

ING Bank N.V.

By:

As Facility Agent and for and on behalf of each of the parties to the Agreement (other than the Existing Lender and the New Lender) and each of the parties to the Priority Agreement (other than the Existing Lender and the New Lender)

Note 1: The execution of this Transfer Certificate may not transfer a proportionate share of the Existing Lender's interest in security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required to perfect a transfer of such a share in the Existing Lender's security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

Note 2: Dutch legal advice should be sought if any amount to a Borrower incorporated in the Netherlands is to be transferred and is less than €50,000 (or the equivalent in another currency).

PART 2
TRANSFERS BY NOVATION

To: ING Bank N.V. as Facility Agent
From: [THE EXISTING LENDER] (the **Existing Lender**) and [THE NEW LENDER] (the **New Lender**)
Date: []

Amsterdamse Beheer- En Consultingmaatschappij B.V.—Credit Agreement
dated 12th September, 2006 as amended and/or amended and restated from time to time (the Agreement)

1. We refer to the Agreement. This is a Transfer Certificate.
2. The Existing Lender transfers by novation to the New Lender all the rights and obligations of the Existing Lender which correspond to that portion of the Existing Lender's Commitments and participations in Credits under the Agreement specified in the schedule to this Transfer Certificate (the **Schedule**) in accordance with the terms of the Agreement.
3. The proposed Transfer Date is [].
4. On the Transfer Date the New Lender becomes:
 - (a) party to the Agreement as a Lender; and
 - (b) party to the Priority Agreement as a Senior Creditor.
5. [The Issuing Bank approves the identity of the New Lender for the purposes of Clause 30.3 (Assignments and transfers—Revolving Credit Facility) of the Agreement.]
6. The administrative details of the New Lender for the purposes of the Agreement are set out in the Schedule.
7. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations in respect of this Transfer Certificate contained in the Agreement.
8. This Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of the Transfer Certificate.
9. This Transfer Certificate has been entered into on the date stated at the beginning of this Transfer Certificate and is governed by English law.

THE SCHEDULE

Rights and obligations to be transferred by novation

[insert relevant details, including applicable Commitment (or part) and participation in Credits]

Commitments

[Insert relevant Commitments]

Participations in Loans

[Insert relevant drawn Loans]

Letters of Credit Outstanding on the Transfer Date

[Insert issued Letters of Credit including outstanding amount, start date and expiry date]

Administrative details of the New Lender

[insert details of Facility Office, address for notices and payment details etc.]

[EXISTING LENDER]

By:

[NEW LENDER]

By:

The Transfer Date is confirmed by the Facility Agent as [].

ING Bank N.V.

By:

As Facility Agent and for and on behalf of each of the parties to the Agreement (other than the Existing Lender and the New Lender) and each of the parties to the Priority Agreement (other than the Existing Lender and the New Lender)

Note 1: The execution of this Transfer Certificate may not transfer a proportionate share of the Existing Lender's interest in security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required to perfect a transfer of such a share in the Existing Lender's security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

Note 2: Dutch legal advice should be sought if any amount lent to a Borrower incorporated in the Netherlands is to be transferred and is less than €50,000 (or the equivalent in another currency).

SCHEDULE 6
SECURITY DOCUMENTS AND GUARANTORS

PART 1
SECURITY DOCUMENTS TO BE ENTERED INTO ON THE CASEMA CLOSING DATE

Obligor	Security Documents
Amsterdamse Beheer- En Consultingmaatschappij B.V.	Dutch law share pledge in respect of the shares of Serpering Investments B.V. Dutch law share pledge in respect of the shares of Torensplits B.V. Dutch law share pledge in respect of the shares of Christina Beheer- En Adviesmaatschappij B.V. Dutch law pledge of receivables Dutch law pledge of bank accounts Dutch law pledge of movable assets Dutch law pledge of IP rights (if any)
Christina Beheer- En Adviesmaatschappij B.V.	Dutch law share pledge in respect of the shares of PrimaCom Netherlands Holding B.V. Dutch law pledge of receivables Dutch law pledge of bank accounts Dutch law pledge of movable assets Dutch law pledge of IP rights (if any)
Plinius Investments B.V.	Dutch law pledge of receivables Dutch law pledge of bank accounts Dutch law pledge of movable assets Dutch law pledge of IP rights (if any)
PrimaCom Netherlands Holding B.V.	Dutch law share pledge in respect of the shares of Multikabel B.V. Dutch law pledge of receivables Dutch law pledge of bank accounts Dutch law pledge of movable assets Dutch law pledge of IP rights (if any)
Serpering Investments B.V.	Dutch law share pledge in respect of the shares of Casema Holding B.V. Dutch law pledge of receivables Dutch law pledge of bank accounts Dutch law pledge of movable assets Dutch law pledge of IP rights (if any)
Torensplits B.V.	Dutch law share pledge in respect of the shares of Plinius Investments B.V. Dutch law pledge of receivables Dutch law pledge of bank accounts Dutch law pledge of movable assets Dutch law pledge of IP rights (if any)

PART 2
TO BE PROVIDED AS SOON AS REASONABLY PRACTICABLE AND IN ANY EVENT NOT
LATER THAN 90 DAYS AFTER THE CASEMA CLOSING DATE

Member of the Group to accede as an Additional Guarantor	Security Documents
Communikabel B.V.	Dutch law pledge of receivables Dutch law pledge of bank accounts Dutch law pledge of movable assets Dutch law pledge of IP rights (if any) Dutch law mortgage/pledge over network assets (if any)
Multikabel B.V.	Dutch law share pledge in respect of the shares of Communikabel B.V., Noord-Holland Digitaal B.V. and Quicknet B.V. Dutch law pledge of receivables Dutch law pledge of bank accounts Dutch law pledge of movable assets Dutch law pledge of IP rights Dutch law mortgage/pledge over network assets
Noord-Holland Digitaal B.V.	Dutch law pledge of receivables Dutch law pledge of bank accounts Dutch law pledge of movable assets Dutch law pledge of IP rights Dutch law mortgage/pledge over network assets
Quicknet B.V.	Dutch law pledge of receivables Dutch law pledge of bank accounts Dutch law pledge of movable assets Dutch law pledge of IP rights Dutch law mortgage/pledge over network assets
Casema Holding B.V.	Dutch law share pledge in respect of the shares of Megakabel B.V. Dutch law pledge of receivables Dutch law pledge of bank accounts Dutch law pledge of movable assets Dutch law pledge of IP rights Dutch law mortgage/pledge over network assets
Megakabel B.V.	Dutch law share pledge in respect of the shares of N.V. Casema and CAI-Gigakabel B.V. Dutch law pledge of receivables Dutch law pledge of bank accounts Dutch law pledge of movable assets Dutch law pledge of IP rights Dutch law mortgage/pledge over network assets
N.V. Casema	Dutch law share pledge over the shares of all of its Subsidiaries (other than any Dormant Subsidiary). Dutch law pledge of receivables Dutch law pledge of bank accounts Dutch law pledge of movable assets Dutch law pledge of IP rights Dutch law mortgage/pledge over network assets
Telecai Den Haag B.V.	Dutch law pledge of receivables Dutch law pledge of bank accounts Dutch law pledge of movable assets Dutch law pledge of IP rights Dutch law mortgage/pledge over network assets
CAI-Bussum B.V.	Dutch law pledge of receivables Dutch law pledge of bank accounts Dutch law pledge of movable assets Dutch law pledge of IP rights Dutch law mortgage/pledge over network assets

CAI-Nederlandse	Dutch law share pledge over the shares of all of its Subsidiaries
Kabelexploitatiemaatschappij B.V.	(other than any Dormant Subsidiary)
	Dutch law pledge of receivables
	Dutch law pledge of bank accounts
	Dutch law pledge of movable assets
	Dutch law pledge of IP rights (if any)
	Dutch law mortgage/pledge over network assets (if any)

PART 3
TO BE PROVIDED AS SOON AS REASONABLY PRACTICABLE AND IN ANY EVENT NOT
LATER THAN 90 DAYS AFTER THE KABELCOM CLOSING DATE

Member of the Group to accede as an Additional Guarantor	Security Documents
Plinius Investments B.V.	Dutch law share pledge over the shares of Essent Kabelcom B.V.
Essent Kabelcom B.V.	Dutch law share pledge over the shares of all of its Subsidiaries (other than any Dormant Subsidiary)
	Dutch law pledge of receivables
	Dutch law pledge of bank accounts
	Dutch law pledge of movable assets
	Dutch law pledge of IP rights (if any)
	Dutch law mortgage/pledge over network assets (if any)

In addition to the companies listed above if any of the companies listed in the table below would be required to become a Guarantor for the purposes of meeting the Threshold Test, such company shall also accede as a Guarantor and enter into the Security Documents listed opposite its name not later than 90 days after the Kabelcom Closing Date:

Member of the Group to accede as an Additional Guarantor	Security Documents
Essent Kabelcom Audio Video B.V.	Dutch law pledge of receivables
	Dutch law pledge of bank accounts
	Dutch law pledge of movable assets
	Dutch law pledge of IP rights (if any)
	Dutch law mortgage/pledge over network assets (if any)
Essent Kabelcom Telecom & Media Services B.V.	Dutch law pledge of receivables
	Dutch law pledge of bank accounts
	Dutch law pledge of movable assets
	Dutch law pledge of IP rights (if any)
	Dutch law mortgage/pledge over network assets (if any)
@Home Benelux B.V.	Dutch law pledge of receivables
	Dutch law pledge of bank accounts
	Dutch law pledge of movable assets
	Dutch law pledge of IP rights (if any)
	Dutch law mortgage/pledge over network assets (if any)
Essent Kabelcom Network & Access Services B.V.	Dutch law pledge of receivables
	Dutch law pledge of bank accounts
	Dutch law pledge of movable assets
	Dutch law pledge of IP rights (if any)
	Dutch law mortgage/pledge over network assets (if any)
B.V. Kabelservice Drenthe-Overijssel	Dutch law pledge of receivables
	Dutch law pledge of bank accounts
	Dutch law pledge of movable assets
	Dutch law pledge of IP rights (if any)
	Dutch law mortgage/pledge over network assets (if any)
CasTel Deelnemingen B.V.	Dutch law share pledge over the shares of Alarmrent ZW Friesland B.V.
	Dutch law pledge of receivables
	Dutch law pledge of bank accounts
	Dutch law pledge of movable assets
	Dutch law pledge of IP rights (if any)
	Dutch law mortgage/pledge over network assets (if any)
Alarmrent ZW Friesland B.V.	Dutch law pledge of receivables
	Dutch law pledge of bank accounts
	Dutch law pledge of movable assets
	Dutch law pledge of IP rights (if any)
	Dutch law mortgage/pledge over network assets (if any)

SCHEDULE 7
FORM OF COMPLIANCE CERTIFICATE

To: ING Bank N.V. as Facility Agent
From: Amsterdamse Beheer- En Consultingmaatschappij B.V.
Date: []

**Amsterdamse Beheer- En Consultingmaatschappij B.V.—Credit Agreement dated 12th September, 2006
as amended and/or amended and restated from time to time (the Agreement)**

1. We refer to the Agreement. This is a Compliance Certificate.
2. We confirm that as at [relevant testing date]:
 - (a) Consolidated EBITDA was [] and Consolidated Total Net Interest Payable was []; therefore, the ratio of Consolidated EBITDA to Consolidated Total Net Interest Payable was [] to 1;
 - (b) Consolidated Cashflow was [] and Consolidated Total Debt Service was []; therefore, the ratio of Consolidated Cashflow to Consolidated Total Debt Service was [] to 1;*
 - (c) Consolidated Total Net Borrowings were [] and Consolidated EBITDA was []; therefore, the ratio of Consolidated Total Net Borrowings to Consolidated EBITDA was [] to 1;
 - (d) the level of Capital Expenditure was [];*
 - (e) the level of Excess Cashflow was [].
3. We set out below calculations establishing the figures in paragraph 2 above:
[].
4. We confirm that the following companies were Material Subsidiaries at [relevant testing date]:
[].
5. We confirm that as at [relevant testing date] the aggregate contribution of the Guarantors to the gross assets and Consolidated EBITDA of the Group was equal to:
 - (a) [] per cent. of the gross assets of the Group; and
 - (b) [] per cent. of the Consolidated EBITDA of the Group.
6. We confirm that as at [relevant testing date], the Base Currency Equivalent of the aggregate amount received during the annual Accounting Period of the Parent ending [] of Net Disposal Proceeds was [], Net Insurance Proceeds was [], Net Recovery Proceeds was [], Net Securitisation Proceeds was [] and Net Receivables Financing Proceeds was [].
7. We confirm that no Default is outstanding as at [relevant testing date] or, if it is, the details of the Default and the remedial action proposed or being taken are as follows:⁽²⁾

(2) If this statement cannot be made, the certificate should identify any Default that is outstanding and the steps, if any, being taken to remedy it.

Amsterdamse Beheer- En Consultingmaatschappij B.V.
By:

* Not applicable after a Qualifying IPO.

SCHEDULE 8
FORM OF ACCESSION AGREEMENTS

PART 1
FORM OF OBLIGOR ACCESSION AGREEMENT

To: ING Bank N.V. as Facility Agent
From: Amsterdamse Beheer- En Consultingmaatschappij B.V. and [PROPOSED [ADDITIONAL
BORROWER AND] ADDITIONAL GUARANTOR]
Date: []

**Amsterdamse Beheer- En Consultingmaatschappij B.V.—Credit Agreement dated 12th September, 2006
as amended and/or amended and restated from time to time (the Agreement)**

We refer to the Agreement. This is an Obligor Accession Agreement.

1. [Name of company] of [address/registered office] agrees to become:
 - (a) an Additional Guarantor under the Agreement and to be bound by the terms of the Agreement as an Additional Guarantor;
 - (b) [an Additional Borrower of Facility [] under the Agreement and to be bound by the terms of the Agreement as an Additional Borrower;] and
 - (c) an [Obligor/an Intercompany Creditor] under the Priority Agreement and to be bound by the terms of the Priority Agreement as an [Obligor/an Intercompany Creditor].
2. The Repeating Representations are correct on the date of this Obligor Accession Agreement.
3. It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.
4. This Obligor Accession Agreement has been executed and delivered as a deed on the date stated at the beginning of this Obligor Accession Agreement and is governed by English law.

Executed as a deed by
Amsterdamse Beheer- En Consultingmaatschappij B.V.
acting by

Director
Executed as a deed by
[PROPOSED [ADDITIONAL BORROWER] [AND ADDITIONAL GUARANTOR]]
acting by

Director

PART 2
FORM OF ISSUING BANK ACCESSION AGREEMENT

To: ING Bank N.V. as Facility Agent
From: [Proposed Issuing Bank]
Date: []

**Amsterdamse Beheer- En Consultingmaatschappij B.V.—Credit Agreement dated 12th September, 2006
as amended and/or amended and restated from time to time(the Agreement)**

We refer to the Agreement. This is an Issuing Bank Accession Agreement.

1. [Name of Lender/Affiliate of Lender] of [address/registered office] agrees to become:
 - (a) the Issuing Bank under the Agreement and to be bound by the terms of the Agreement as an Issuing Bank; and
 - (b) a Senior Creditor under the Priority Agreement and to be bound by the Priority Agreement as a Senior Creditor.
2. This Issuing Bank Accession Agreement has been executed on the date stated at the beginning of this Issuing Bank Accession Agreement and is governed by English law.

[PROPOSED ISSUING BANK]

SCHEDULE 9
FORM OF LETTER OF CREDIT

To: [Beneficiary]
(the **Beneficiary**)

[DATE]

Irrevocable Standby Letter of Credit no. []

At the request of [], [ISSUING BANK] (the **Issuing Bank**) issues this irrevocable standby letter of credit (**Letter of Credit**) in your favour on the following terms:

1. Definitions

In this Letter of Credit:

Business Day means a day (other than a Saturday or a Sunday) on which banks are open for general business in London and Amsterdam.

Demand means a demand for a payment under this Letter of Credit in the form of the schedule to this Letter of Credit.

Expiry Date means [].

Total L/C Amount means [].

2. Issuing Bank's agreement

- (a) The Beneficiary may request a drawing [or drawings] under this Letter of Credit by giving to the Issuing Bank a duly completed Demand. A Demand may not be given after the Expiry Date.
- (b) Subject to the terms of this Letter of Credit, the Issuing Bank unconditionally and irrevocably undertakes to the Beneficiary that, within [10] Business Days of receipt by it of a Demand validly presented under this Letter of Credit, it must pay to the Beneficiary the amount which is demanded for payment in that Demand.
- (c) The Issuing Bank will not be obliged to make a payment under this Letter of Credit if as a result the aggregate of all payments made by it under this Letter of Credit would exceed the Total L/C Amount.

3. Expiry

- (a) On [] p.m. (London time) on the Expiry Date the obligations of the Issuing Bank under this Letter of Credit will cease with no further liability on the part of the Issuing Bank except for any Demand validly presented under the Letter of Credit prior to that time that remains unpaid.
- (b) The Issuing Bank will be released from its obligations under this Letter of Credit on the date prior to the Expiry Date (if any) notified by the Beneficiary to the Issuing Bank as the date upon which the obligations of the Issuing Bank under this Letter of Credit are released.
- (c) When the Issuing Bank is no longer under any obligation under this Letter of Credit, the Beneficiary must return the original of this Letter of Credit to the Issuing Bank.

4. Payments

All payments under this Letter of Credit must be made in [] and for value on the due date to the account of the Beneficiary specified in the Demand.

5. Delivery of Demand

Each Demand must be in writing, and may be given in person, by post, fax [or any other electronic communication] and must be received by the Issuing Bank at its address as follows:

[]

[For the purpose of this Letter of Credit, electronic communication will be treated as being in writing.]

6. Assignment

The Beneficiary's rights under this Letter of Credit may not be assigned or transferred.

7. ISP

Except to the extent it is inconsistent with the express terms of this Letter of Credit, this Letter of Credit is subject to the International Standby Practices 1998, International Chamber of Commerce Publication No. 590.

8. Governing Law

This Letter of Credit is governed by English law.

9. Jurisdiction

The English courts have exclusive jurisdiction to settle any dispute in connection with this Letter of Credit.

Yours faithfully,

[ISSUING BANK]

By:

**SCHEDULE
FORM OF DEMAND**

To: [ISSUING BANK]

[DATE]

Dear Sirs

**Irrevocable Standby Letter of Credit no. [] issued in favour of [BENEFICIARY]
(the Letter of Credit)**

We refer to the Letter of Credit. This is a Demand. Interest Periods defined in the Letter of Credit have the same meaning when used in this Demand.

1. We certify that the sum of [] is due [and has remained unpaid for at least [] Business Days under [set out underlying contract or agreement]]. We therefore demand payment of the sum of [].
2. Payment should be made to the following account:

Name:

Account Number:

Bank:
3. The date of this Demand is not later than the Expiry Date.

Yours faithfully

(Authorised Signatory) (Authorised Signatory)

For

[BENEFICIARY]

SCHEDULE 10
MATERIAL SUBSIDIARIES

PART 1
FROM THE CASEMA CLOSING DATE

<u>Name of Material Subsidiary</u>	<u>Jurisdiction of incorporation</u>	<u>Registration number (or equivalent, if any)</u>
Amsterdamse Beheer- En Consultingmaatschappij B.V.	Netherlands	33195889
Casema Holding B.V.	Netherlands	34100450
Christina Beheer- En Adviesmaatschappij B.V.	Netherlands	33195896
Communikabel B.V.	Netherlands	34099766
Megakabel B.V.	Netherlands	30115378
Multikabel B.V.	Netherlands	37026706
N.V. Casema	Netherlands	27077764
Noord Holland Digital B.V.	Netherlands	37075177
Plinius Investments B.V.	Netherlands	33232525
PrimaCom Netherlands Holding B.V.	Netherlands	34139387
QuickNet B.V.	Netherlands	37096961
Serpering Investments B.V.	Netherlands	30013097
Torensplits B.V.	Netherlands	33242788

PART 2
FROM THE KABELCOM CLOSING DATE

<u>Name of Material Subsidiary</u>	<u>Jurisdiction of incorporation</u>	<u>Registration number (or equivalent, if any)</u>
Essent Kabelcom B.V.	Netherlands	02070653

SCHEDULE 11
DORMANT SUBSIDIARIES

Name of Dormant Subsidiary	Jurisdiction of incorporation	Registration number (or equivalent, if any)
AirConnect B.V.....	Netherlands	30097431
Buren Security B.V.	Netherlands	30128238
Dutch Business Cable (DBC) B.V.....	Netherlands	30112478
InfoThuis B.V.....	Netherlands	27136105
NKM Plus B.V.	Netherlands	30102639

SCHEDULE 12
AGREED SECURITY PRINCIPLES

1. Security Principles

- (a) The guarantees and security to be provided will be given in accordance with the security principles set out in this Schedule. This Schedule addresses the manner in which the security principles will impact on the guarantees and security proposed to be taken in relation to this transaction.
- (b) The security principles embody recognition by all parties that there may be certain legal and practical difficulties in obtaining guarantees and security from all Obligor in every jurisdiction in which Obligor are incorporated. In particular:
 - (i) general statutory limitations, financial assistance, corporate benefit, fraudulent preference, “thin capitalisation” and “capital maintenance” rules, retention of title claims and similar principles may limit the ability of a Obligor to provide a guarantee or security or may require that the guarantee be limited by an amount or otherwise; the Parent will use reasonable endeavours to assist in demonstrating that adequate corporate benefit accrues to each Obligor;
 - (ii) the security and extent of its perfection will be agreed taking into account the cost to the Group of providing security being proportionate to the benefit accruing to the Lenders;
 - (iii) any assets subject to third party arrangements which are permitted by the Senior Facility Agreement and which prevent those assets from being charged will be excluded from the fixed charge in any relevant security document provided that reasonable endeavours to obtain consent to charging any such assets shall be used by the relevant Obligor if the relevant asset is material if the Parent (acting reasonably) determines that such endeavours will not involve placing commercial relationships with third parties in jeopardy;
 - (iv) Obligor will not be required to give guarantees or enter into security documents if that would conflict with the fiduciary duties of their directors or contravene any legal prohibition or result in a risk of personal or criminal liability on the part of any officer provided that the relevant Obligor shall use reasonable endeavours to overcome any such obstacle;
 - (v) the granting of guarantees, perfection of security, when required, and other legal formalities will be completed as soon as practicable and, in any event, within the time periods specified in the Senior Finance Documents therefor or (if earlier or to the extent no such time periods are specified in the Senior Finance Documents) within the time periods specified by applicable law in order to ensure due perfection. The perfection of security granted will not be required if it would have a material adverse effect on the ability of the relevant Obligor to conduct its operations and business in the ordinary course as otherwise permitted by the Senior Finance Documents;
 - (vi) the Security Agent on behalf of each of the Lenders shall be able, subject to the terms of the intercreditor deed, to enforce the security constituted by the security documents without any restriction from either (i) the constitutional documents of the relevant Obligor or (ii) any Obligor which is or whose assets are the subject of such security document (but subject to any inalienable statutory rights which the Obligor may have to challenge such enforcement) or (iii) any shareholders of the foregoing not party to the relevant security document;
 - (vii) the maximum secured amount may be limited to minimise stamp duty, notarisation, registration or other applicable fees, taxes and duties where the benefit of increasing the guaranteed or secured amount is disproportionate to the likely value of the asset in an enforcement process, taking into account the level of such taxes and duties;
 - (viii) where a class of assets to be secured includes material and immaterial assets, if the cost of granting security over the immaterial assets is disproportionate to the benefit of such security, security will, subject to sub-paragraph (ii) above, be granted over the material assets only;

- (ix) unless granted under a global security document governed by the law of the jurisdiction of a Obligor or under English law all security (other than share security over its Obligor subsidiaries) shall be governed by the law of and secure assets located in the jurisdiction of incorporation of that Obligor;
- (x) guarantee limitations may mean that access to the assets of an Obligor for its guarantee is limited, in which case, any asset security granted by that Obligor shall be proportionate (in terms of liability) to the value of its guarantee;
- (xi) no perfection action will be required in jurisdictions where Obligors or material assets are not located;
- (xii) local law restrictions may mean that the Lenders may not be able to benefit from the same security;
- (xiii) the Security Agent will hold one set of security for the Lenders; and
- (xiv) under the Dutch Works Council Act certain Dutch members of the Group may not, without the advice of their works council, *inter alia* resolve to enter into any transaction effectuating:
 - (A) the attraction of an important credit on behalf of the relevant Dutch members of the Group,
 - (B) the provision of an important credit by such Dutch members of the Group,
 - (C) the granting of guarantees and security by the relevant Dutch members of the Group for important debts of another entrepreneur, and
 - (D) the establishment of a right of pledge over the shares of the relevant Dutch members of the Group.

2. Guarantors and Security

- (a) Each guarantee and security will be an upstream, cross-stream and downstream guarantee and each guarantee and security will be for all liabilities of the Obligors under the Senior Finance Documents in accordance with, and subject to, the requirements of the security principles set out in section 1 (the **Security Principles**) above in each relevant jurisdiction.
- (b) To the extent possible, all security shall be given in favour of the Security Agent and not the finance parties individually. "Parallel debt" provisions will be used where necessary; such provisions will be contained in the Priority Agreement and not the individual security documents unless required under local laws. To the extent possible, there should be no action required to be taken in relation to the guarantees or security when any Lender transfers any of its participation in the Facilities to a new Lender.
- (c) Subject to the other provisions of the Security Principles, the Obligors will be required to pay the cost (if any) of any re-execution, notarisation, re-registration, amendment or other perfection requirement for any security on any transfer on or prior to the Syndication Date by the Arrangers to a new Lender up to an aggregate amount not exceeding a cap to be agreed between the Parent and the Arrangers. Otherwise the cost or fee shall be for the account of the transferee Lender.

3. Terms of Security Documents

The following principles will be reflected in the terms of any security taken as part of this transaction:

- (a) the security will be first ranking, to the extent possible;
- (b) security will not be enforceable until the occurrence of an event of default in respect of which a notice of acceleration has been served (a **Declared Default**);

- (c) any rights of set off will not be exercisable until the occurrence of a Declared Default;
- (d) notification of receivables security to debtors (other than intra-group debtors where prompt notice will be given) will only be given if a Declared Default has occurred (subject to local law advice);
- (e) all security over bank accounts (other than any mandatory prepayment accounts) will permit the relevant obligor to operate those accounts freely without reference to the Security Agent prior to a Declared Default. Security over banks accounts shall require the relevant security provider to use reasonable endeavours to procure that the account bank waives any right of set-off or other interest arising by law or under its general business conditions;
- (f) no security shall be taken over moveable plant or equipment if it would require any labelling or segregation of that plant or equipment;
- (g) no security shall be taken over any stock in trade if it would require any item-specific or periodic listing of stock in trade or any segregation thereof;
- (h) representations and undertakings shall only be included in each security document to the extent they relate to the security interest or secured assets or any registration or perfection of the security unless otherwise required by local law;
- (i) the provisions of each security document will not be unduly burdensome on the Obligor (in relation to the benefit conferred) or interfere materially with the operation of its business and will be limited to those required to create effective security and not impose additional commercial obligations;
- (j) information, such as lists of assets will be provided quarterly (or, following an Event of Default which is continuing, on the Security Agent's reasonable request);
- (k) the Lenders and hedging providers shall only be able to exercise a power of attorney following the occurrence of a Declared Default or if the relevant Obligor has failed to comply with a further assurance or perfection obligation within ten Business Days of being notified of that failure and being requested to comply;
- (l) security, will where possible and practical, automatically create security over future assets of the same type as those already secured;
- (m) no repetition or extension of clauses in the Facilities Agreements or Priority Agreement;
- (n) the terms of any security over intellectual property will not require any registration, protection or perfection of intellectual property or the security granted over it in any jurisdiction other than The Netherlands or any other jurisdiction in which the relevant Obligor is incorporated or carries on business; and
- (o) the pledges over bank accounts and insurances will be subject to a disclosed pledge.

4. Share Security

- (a) Subject to these principles the shares in each Obligor (other than the Parent) shall be secured.
- (b) The security document will be governed by the laws of the Obligor whose shares are being secured and not by the law of the country of the Obligor granting the security.
- (c) Until a Declared Default, the pledgor will be permitted to retain and to exercise voting rights to any shares pledged by them in a manner which does not adversely affect the validity or enforceability of the security or cause an event of default to occur and the pledgors will be permitted to pay dividends.

- (d) Where customary the share certificate and a stock transfer form executed in blank will be provided to the Security Agent and where required by law the share certificate or shareholders register will be endorsed or written up and the endorsed share certificate or a copy of the written up register provided to the Security Agent.
- (e) Unless the restriction is required by law, the constitutional documents of the pledgor will be amended to remove any restriction on the transfer or the registration of the transfer of the shares on enforcement of the security granted over them.

5. Acquisition Documents and Claims

- (a) The Obligors shall grant an assignment over the agreements referred to in paragraph (a) of the definition of Casema Acquisition Documents and the agreements referred to in paragraphs (a) and (b) of the definition of Kabelcom Acquisition Documents.
- (b) A notice of the assignment will be served on each vendor within five Business Days of the security being granted and the Obligor shall request an acknowledgement of that notice as soon as practicable thereafter.

6. Release of Security

Unless required by local law, the circumstances in which the security shall be released should not be dealt with in individual security documents but, if so required, shall, except to the extent required by local law, be the same as those set out in the Priority Agreement.

SCHEDULE 13
FORM OF LMA CONFIDENTIALITY UNDERTAKING

To: [insert name of Potential Lender]

Re: [*The Facility*] (the **Facility**)

Dear Sirs

We understand that you are considering participating in the Facility. In consideration of us agreeing to make available to you certain information, by your signature of a copy of this letter you agree as follows:

1. Confidentiality Undertaking

You undertake:

- (a) to keep the Confidential Information confidential and not to disclose it to anyone except as provided for by paragraph 2 below and to ensure that the Confidential Information is protected with security measures and a degree of care that would apply to your own confidential information;
- (b) to keep confidential and not disclose to anyone the fact that the Confidential Information has been made available or that discussions or negotiations are taking place or have taken place between us in connection with the Facility;
- (c) to use the Confidential Information only for the Permitted Purpose;
- (d) to use all reasonable endeavours to ensure that any person to whom you pass any Confidential Information (unless disclosed under paragraph 2(b) below) acknowledges and complies with the provisions of this letter as if that person were also a party to it; and
- (e) not to make enquiries of any member of the Group or any of their officers, directors, employees or professional advisers relating directly or indirectly to the Facility.

2. Permitted Disclosure

We agree that you may disclose Confidential Information:

- (a) to members of the Participant Group and their officers, directors, employees and professional advisers to the extent necessary for the Permitted Purpose and to any auditors of members of the Participant Group;
- (b) (i) where requested or required by any court of competent jurisdiction or any competent judicial, governmental, supervisory or regulatory body, (ii) where required by the rules of any stock exchange on which the shares or other securities of any member of the Participant Group are listed or (iii) where required by the laws or regulations of any country with jurisdiction over the affairs of any member of the Participant Group; or
- (c) with the prior written consent of us and the Parent.

3. Notification of Required or Unauthorised Disclosure

You agree (to the extent permitted by law) to inform us of the full circumstances of any disclosure under paragraph 2(b) or upon becoming aware that Confidential Information has been disclosed in breach of this letter.

4. Return of Copies

If we so request in writing, you shall return all Confidential Information supplied to you by us and destroy or permanently erase all copies of Confidential Information made by you and use all reasonable endeavours to ensure that anyone to whom you have supplied any Confidential Information destroys or permanently erases such Confidential Information and any copies made by them, in each case save to the extent that you or the recipients are required to retain any such Confidential Information by any applicable law, rule or regulation or by any competent judicial, governmental, supervisory or regulatory body or in accordance with internal policy, or where the Confidential Information has been disclosed under paragraph 2(b) above.

5. Continuing Obligations

The obligations in this letter are continuing and, in particular, shall survive the termination of any discussions or negotiations between you and us. Notwithstanding the previous sentence, the obligations in this letter shall cease (a) if you become a party to or otherwise acquire (by assignment or sub participation) an interest, direct or indirect in the Facility or (b) twelve Months after you have returned all Confidential Information supplied to you by us and destroyed or permanently erased all copies of Confidential Information made by you (other than any such Confidential Information or copies which have been disclosed under paragraph 2 above (other than sub-paragraph 2(a)) or which, pursuant to paragraph 4 above, are not required to be returned or destroyed).

6. No Representation; Consequences of Breach, etc

You acknowledge and agree that:

- (a) neither we nor any of our officers, employees or advisers (each a **Relevant Person**) (i) make any representation or warranty, express or implied, as to, or assume any responsibility for, the accuracy, reliability or completeness of any of the Confidential Information or any other information supplied by us or any member of the Group or the assumptions on which it is based or (ii) shall be under any obligation to update or correct any inaccuracy in the Confidential Information or any other information supplied by us or any member of the Group or be otherwise liable to you or any other person in respect to the Confidential Information or any such information; and
- (b) we or members of the Group may be irreparably harmed by the breach of the terms of this letter and damages may not be an adequate remedy; each Relevant Person or member of the Group may be granted an injunction or specific performance for any threatened or actual breach of the provisions of this letter by you.

7. No Waiver; Amendments, etc

This letter sets out the full extent of your obligations of confidentiality owed to us in relation to the information the subject of this letter. No failure or delay in exercising any right, power or privilege under this letter will operate as a waiver thereof nor will any single or partial exercise of any right, power or privilege preclude any further exercise thereof or the exercise of any other right, power or privileges under this letter. The terms of this letter and your obligations under this letter may only be amended or modified by written agreement between us.

8. Inside Information

You acknowledge that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation relating to insider dealing and you undertake not to use any Confidential Information for any unlawful purpose.

9. Nature of Undertakings

The undertakings given by you under this letter are given to us and (without implying any fiduciary obligations on our part) are also given for the benefit of the Parent and each other member of the Group.

10. Third party rights

- (a) Subject to paragraph 6 and paragraph 9 the terms of this letter may be enforced and relied upon only by you and us and the operation of the Contracts (Rights of Third Parties) Act 1999 is excluded.
- (b) Notwithstanding any provisions of this letter, the parties to this letter do not require the consent of any Relevant Person or any member of the Group to rescind or vary this letter at any time.

11. Governing Law and Jurisdiction

This letter (including the agreement constituted by your acknowledgement of its terms) shall be governed by and construed in accordance with the laws of England and the parties submit to the non-exclusive jurisdiction of the English courts.

12. Definitions

In this letter (including the acknowledgement set out below):

Confidential Information means any information relating to the Parent, any Borrower, the Group, and the Facility including, without limitation, the Information Package, provided to you by us or any of our affiliates or advisers, in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that (a) is or becomes public knowledge other than as a direct or indirect result of any breach of this letter or (b) is known by you before the date the information is disclosed to you by us or any of our affiliates or advisers or is lawfully obtained by you after that date, other than from a source which is connected with the Group and which, in either case, as far as you are aware, has not been obtained in violation of, and is not otherwise subject to, any obligation of confidentiality;

Group means the Borrower and each of its holding companies and subsidiaries and each subsidiary of each of its holding companies (as each such term is defined in the Companies Act 1985);

Participant Group means you, each of your holding companies and subsidiaries and each subsidiary of each of your holding companies (as each such term is defined in the Companies Act 1985); and

Permitted Purpose means considering and evaluating whether to enter into the Facility.

Please acknowledge your agreement to the above by signing and returning the enclosed copy.

For and on behalf of

[Selling Lender]

To: The Borrower and each other member of the Group

We acknowledge and agree to the above:

For and on behalf of

[Potential Lender]

SCHEDULE 14 FINANCIAL COVENANTS

Interest Cover Ratio

The relevant financial covenant levels for the purposes of Clause 21.1 (Consolidated EBITDA to Consolidated Total Net Interest Payable) are:

Test Date	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011
	1.16:1	1.22:1	1.27:1	1.33:1	1.37:1	1.41:1	1.44:1	1.47:1	1.55:1	1.59:1	1.63:1	1.69:1	1.73:1	1.77:1	1.81:1	1.85:1	1.88:1	1.91:1	1.95:1	1.98:1

Test Date	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
	2.02:1	2.06:1	2.10:1	2.14:1	2.17:1	2.20:1	2.23:1	2.26:1	2.30:1	2.33:1	2.41:1	2.50:1	2.50:1	2.50:1	2.50:1

Net Leverage Ratio

The relevant financial covenant levels for the purposes of 21.3 (Consolidated Total Net Borrowings to Adjusted Consolidated EBITDA) are:

Test Date	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011
	10.00:1	10.00:1	10.00:1	10.00:1	9.85:1	9.48:1	9.26:1	8.96:1	8.74:1	8.42:1	8.16:1	7.80:1	7.56:1	7.28:1	7.09:1	6.85:1	6.70:1	6.48:1	6.33:1	6.12:1

Test Date	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
	5.97:1	5.74:1	5.59:1	5.38:1	5.23:1	5.01:1	4.86:1	4.64:1	4.52:1	4.50:1	4.50:1	4.50:1	4.50:1	4.50:1	4.50:1

Capital Expenditure Limit

The relevant financial covenant levels for the purposes of 21.4 (Maximum Capital Expenditure) are:

Expenditure Period	Capital Expenditure Limit (€)
1st January, 2007 to 31st December, 2007	247,500,000
1st January, 2008 to 31st December, 2008	191,100,000
1st January, 2009 to 31st December, 2009	188,300,000
1st January, 2010 to 31st December, 2010	189,700,000
1st January, 2011 to 31st December, 2011	224,700,000
1st January, 2012 to 31st December, 2012	229,900,000
1st January, 2013 to 31st December, 2013	240,000,000
1st January, 2014 to 31st December, 2014	245,000,000
1st January, 2015 to 31st December, 2015 and each financial year thereafter	250,000,000

SCHEDULE 15
BASKETS AND THRESHOLDS

Definition / Clause	Column 1 Prior to Qualifying IPO (€)	Column 2 On and after Qualifying IPO (€)
Definitions—Permitted Acquisition:		
Paragraph (c)(i) (Annual limit).....	150,000,000	300,000,000
Paragraph (c)(ii) (Aggregate limit).....	250,000,000	500,000,000
Definitions—Permitted Payments:		
Paragraph (a) (Upfront transaction fees)	55,000,000	55,000,000
Paragraph (b) (Annual corporate advisory fees)	1,500,000	1,500,000
Paragraph (e) (Annual monitoring fees).....	2,000,000	2,000,000
Definitions—Permitted Receivables Financing	50,000,000	50,000,000
Definitions—Permitted Sale and Leaseback	75,000,000	75,000,000
Definitions—Permitted Securitisation.....	50,000,000	50,000,000
Clause 10.4(c)(i)(B) (Annual disposals limit for prepayment).....	40,000,000	40,000,000
Clause 22.5(c)(xv) (Negative pledge basket)	75,000,000	150,000,000
Clause 22.6(b)(iv)(C) (Limit for disposals from Obligors to Non-Obligors).....	15,000,000	15,000,000
Clause 22.6(b)(xv) (Annual disposals basket).....	50,000,000	100,000,000
Clause 22.7(b)(iv) (Limit on finance leases and sale and leasebacks)	75,000,000	75,000,000
Clause 22.7(b)(xii) (Financial Indebtedness basket).....	75,000,000	150,000,000
Clause 22.12(b)(viii) (Guarantees by Obligors of non-Obligors)*	15,000,000	15,000,000
Clause 22.14(b)(iii)(B) (Loans by Obligors to non-Obligors)*	15,000,000	15,000,000
Clause 22.12(b)(xiv) (Third party guarantees basket)**	60,000,000	120,000,000
Clause 22.14(b)(ix) (Loans out to third parties basket)**	60,000,000	120,000,000
Clause 22.26(b)(iv) (Joint Ventures/Associates/Minority Interests)**	60,000,000	120,000,000

* The Relevant Basket Amount is an aggregate amount which applies to items under both of these clauses.

** The Relevant Basket Amount is an aggregate amount which applies to items under all of these clauses.

SCHEDULE 16
MARGIN RATCHET

- A. For the purposes of Clause 11.3 (Margin adjustments), prior to the Effective Date, the relevant table is as follows:

Ratio of Consolidated Total Net Borrowings to Adjusted Consolidated EBITDA	Margin (per cent. per annum)	
	Casema A Term Loan Facility, Kabelcom A Term Loan Facility, Revolving Credit Facility and Capex/ Restructuring Facility	Casema B Term Loan Facility and Kabelcom B Term Loan Facility
More than 6.0x	2.125	2.50
Less than or equal to 6.0x but more than 5.5x.....	2.00	2.50
Less than or equal to 5.5x but more than 5.0x.....	1.75	2.50
Less than or equal to 5.0x but more than 4.5x.....	1.50	2.25
Less than or equal to 4.5x but more than 4.0x.....	1.25	2.25
Less than or equal to 4.0x	1.00	2.00

- B. For the purposes of Clause 11.3 (Margin adjustments), on and after the Effective Date, the relevant table is as follows:

Ratio of Consolidated Total Net Borrowings to Adjusted Consolidated EBITDA	Margin (per cent. per annum)			
	Casema A Term Loan Facility, Kabelcom A Term Loan Facility, Revolving Credit Facility and Capex/ Restructuring Facility		Casema B Term Loan Facility and Kabelcom B Term Loan Facility	
	Prior to Qualifying IPO Closing Date	On and after Qualifying IPO Closing Date	Prior to Qualifying IPO Closing Date	On and after Qualifying IPO Closing Date
More than 6.0x	2.625	3.125	3.00	3.50
Less than or equal to 6.0x but more than 5.5x.....	2.50	3.00	3.00	3.50
Less than or equal to 5.5x but more than 5.0x.....	2.25	2.75	3.00	3.50
Less than or equal to 5.0x but more than 4.5x.....	2.00	2.50	2.75	3.25
Less than or equal to 4.5x but more than 4.0x.....	1.75	2.25	2.75	3.25
Less than or equal to 4.0x	1.50	2.00	2.50	3.00

SCHEDULE 17
FACILITY E COMMITMENT LETTER
Notice number: [1/2/3...]

To: ING Bank N.V. as Facility Agent

From: Amsterdamse Beheer- En Consultingmaatschappij B.V. and the Facility E Lender

Dated: [_____]

Dear Sirs,

Amsterdamse Beheer- En Consultingmaatschappij B.V.—Credit Agreement
dated 12th September, 2006 as amended and/or amended and restated from time to time (the Agreement)

We refer to the Agreement. This letter is a Facility E Commitment Letter delivered pursuant to Clause 2.15 (Facility E).

We have agreed that the Facility E Lender commits to lend a Facility E Tranche with the following terms:

- (a) Borrower(s): [_____]
- (b) Principal Amount: [_____]
- (c) Currency: [_____]
- (d) Final Maturity Date: [_____]
- (e) Facility E Commitment Date: [_____]
- (f) Availability Period: [_____]
- (g) Minimum amount of each Facility E Loan: [_____]

The tranche to be made available on the above terms and otherwise on the terms of the Agreement is tranche number [1/2/3...].

By signing this letter but subject to the satisfaction of the conditions precedent set out in part [4][5] of schedule 2 of the Agreement and the Schedule to this letter, the Facility E Lender agrees to commit a Facility E Commitment in an amount equal to the principal amount set out above and agrees [to become a Lender and to assume (and be bound by) the same obligations to each other Party and acquire the same rights against each other Party as it would have assumed or acquired had it been an original party to the Senior Finance Documents with a Facility E Commitment equal to the principal amount of the Facility E Tranche set out in this letter]⁽³⁾[to increase its Facility E Commitments by the principal amount of the Facility E Tranche set out in this letter]⁽⁴⁾.

(3) To include if the Facility E Lender has not previously signed a Facility E Commitment Letter.

(4) To include if the Facility E Lender has previously signed a Facility E Commitment Letter.

We confirm that:

- (a) the Facility E Tranche will be funded using the proceeds of Senior Secured Notes to be issued by the Facility E Lender on the Utilisation Date of the Facility E Tranche on terms which are compliant with the Senior Secured Note Major Terms (the **Underlying Senior Secured Notes**);

- (b) the principal amount of the Facility E Tranche is equal to the aggregate principal amount of the Underlying Senior Secured Notes; and
- (c) the holders of the Underlying Senior Secured Notes have no recourse in relation to the Senior Secured Notes to any member of the Group other than as permitted under the Senior Secured Note Major Terms.

Terms defined in the Agreement have the same meaning when used in this Facility E Commitment Letter unless otherwise defined herein.

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

This is a Senior Finance Document.

We hereby agree and accept to be bound by the terms of this letter and the Agreement.

THE PARENT
AMSTERDAMSE BEHEER- EN CONSULTINGMAATSCHAPPIJ B.V,

By:

THE FACILITY E LENDER

[name of the Facility E Lender]

By:

Acknowledged by:

The Facility Agent

THE SCHEDULE
Conditions Precedent

SCHEDULE 18
SENIOR UNSECURED NOTE MAJOR TERMS

1. For the purpose of this Schedule 18:

Senior Unsecured Note Security means first ranking security over (a) the shares in the Parent and (b) each Proceeds Loan;

Senior Discharge Date has the meaning given to that term in the Parallel Priority Agreement; and

Senior Unsecured Note Holders means any holders of the Senior Unsecured Notes from time to time and any trustee or agent therefor.

2. The issuer is the Senior Unsecured Note Issuer.
3. Payment of interest or any other return will be no more frequent than semi-annually (or quarterly in the case of floating rate notes), provided that this will not restrict the capitalisation of non-cash pay interest or any other return or the accretion of principal or deferral of interest or any other return as a lump sum that accrues non-cash pay interest or return.
4. The scheduled repayment date of the principal amount of the Senior Unsecured Notes is not (and will not be) prior to the tenth anniversary of the Casema Closing Date, being 14 September 2016.
5. There are no mandatory redemption or sinking fund payments or prepayments of or in respect of the Senior Unsecured Notes (it being acknowledged that the Senior Unsecured Notes may provide for mandatory offers to purchase the Senior Unsecured Notes in the event of a change of control and mandatory repurchase obligations in respect of certain asset sales, in each case on terms (including any make-whole, call protection or other early redemption premium) customary for financial instruments similar to the Senior Unsecured Notes issued by financial sponsor portfolio companies as determined in good faith by the Parent, but subject always to the provisions of the Parallel Priority Agreement).
6. The obligations under or in respect of the Senior Unsecured Note Documents (including without limitation any obligations under any guarantees of the Senior Unsecured Notes given by any member of the Group) may have the benefit of the Senior Unsecured Note Security, but are not guaranteed by, or have the benefit of any Security Interest given by, any member of the Group other than the Senior Unsecured Note Guarantees.
7. The yield protection, covenants and events of default recorded in the Senior Unsecured Note Documents are of a type customary for financial instruments similar to the Senior Unsecured Notes issued by financial sponsor portfolio companies in the European market as determined in good faith by the Parent.
8. Each of the Senior Unsecured Note Indentures (which will include the terms of the Senior Unsecured Notes Guarantees) and the Senior Unsecured Notes states that such document is subject to the terms of the Parallel Priority Agreement. Each such document provides expressly for the Finance Parties, acting through agents or trustees, to have third party beneficiary rights in respect of such statements.
9. The Senior Unsecured Notes are denominated in euros, US dollars or sterling.

SCHEDULE 19
SENIOR SECURED NOTE MAJOR TERMS

1. The issuer is the Facility E Lender.
2. Payment of interest or any other return will be no more frequent than semi-annually (or quarterly in the case of floating rate notes), provided that this will not restrict the capitalisation of non-cash pay interest or any other return or the accretion of principal or deferral of interest or return as a lump sum that accrues non-cash pay interest or return.
3. The scheduled repayment date of the principal amount of the Senior Secured Notes is not (and will not be) prior to the tenth anniversary of the Casema Closing Date, being 14 September 2016.
4. There are no mandatory redemption or sinking fund payments or prepayments of or in respect of the Senior Secured Notes (it being acknowledged that the Senior Secured Notes may provide for mandatory offers to purchase the Senior Secured Notes in the event of a change of control and mandatory repurchase obligations in respect of certain asset sales, in each case on terms (including any make-whole, call protection or other early redemption premium) customary for financial instruments similar to the Senior Secured Notes issued by financial sponsor portfolio companies as determined in good faith by the Parent).
5. The yield protection, covenants and events of default recorded in the Senior Secured Note Documents are of a type customary for financial instruments similar to the Senior Secured Notes issued by financial sponsor portfolio companies in the European market as determined in good faith by the Parent.
6. The obligations under or in respect of the Senior Secured Notes may not be guaranteed by or have the benefit of any Security Interest given by any member of the Group or otherwise benefit from any recourse to any member of the Group except that the holders of the Senior Secured Notes may benefit from:
 - (a) any Covenant Agreement; and
 - (b) an assignment of the rights of the Facility E Lender under the Senior Finance Documents.
7. The Senior Secured Notes are denominated in euros, US dollars or sterling.

SCHEDULE 20
EXTENDED CAPEX/RESTRUCTURING FACILITY

PART 1
FORM OF ACCESSION CERTIFICATE

To: [•] as Facility Agent

From: Amsterdamse Beheer- En Consultingmaatschappij B.V.

Date: []

Amsterdamse Beheer- En Consultingmaatschappij B.V.—Credit Agreement
dated 12th September, 2006 as amended and/or amended and restated from time to time (the Agreement)

1. We refer to the Agreement. This is an Accession Certificate. Terms defined in the Agreement have the same meaning in this Accession Certificate unless given a different meaning in this Accession Certificate.
2. The proposed Accession Effective Date is [].
3. On the Accession Effective Date:
 - (a) [•] (the **Acceding Lender**) becomes party to the Agreement as a Lender;
 - (b) the Acceding Lender assumes all the rights and obligations of a Lender in relation to the Commitments under the Agreement specified in the schedule to this Accession Certificate (the **Schedule**) in accordance with the terms of the Agreement.
4. The administrative details of the Acceding Lender for the purposes of the Agreement are set out in the Schedule.
5. This Accession Certificate takes effect as a deed notwithstanding that a party may execute it under hand.
6. This Accession Certificate has been executed and delivered as a deed on the date stated at the beginning of this Accession Certificate.
7. This Accession Certificate and any non-contractual obligations arising out of it are governed by English law.

**THE SCHEDULE
COMMITMENT TO BE ASSUMED**

Administrative details of the New Lender

[insert details of Facility Office, address for notices and payment details etc.]

Executed as a deed by Amsterdamse Beheer- En Consultingmaatschappij B.V.

Director/Secretary/Authorised Signatory

Director/Secretary/Authorised Signatory

Executed as a deed by [ACCEDING LENDER]⁽⁵⁾

(5) Execution approach to be reviewed at the time of signing to ensure it is appropriate for the relevant Acceding Lender.

acting by [NAME])

and)
[NAME])

)
acting under the authority of that company,)

in the presence of:

Witness's signature:

Name:

Address:

The Accession Effective Date is confirmed by the Agent as [].

[FACILITY AGENT]

By:

As Facility Agent

and for and on behalf of each of the parties to the Agreement (other than the Obligors and the Acceding Lender)

PART 2
FORM OF EXTENSION CERTIFICATE

To: [•] as Facility Agent

From: Amsterdamse Beheer- En Consultingmaatschappij B.V.

Date: []

Amsterdamse Beheer- En Consultingmaatschappij B.V.—Credit Agreement
dated 12th September, 2006 as amended and/or amended and restated from time to time (the Agreement)

1. We refer to the Agreement. This is an Extension Certificate. Terms defined in the Agreement have the same meaning in this Extension Certificate unless given a different meaning in this Extension Certificate.
2. The proposed Extension Effective Date is [].
3. On the Extension Effective Date, [•] (the **Extending Lender**) hereby increases its Commitment as a Lender under the Agreement specified in the schedule to this Extension Certificate (the **Schedule**) in accordance with the terms of the Agreement.
4. The administrative details of the Extending Lender remain as applicable to it as an existing Lender for the purposes of the Agreement.
5. This Extension Certificate takes effect as a deed notwithstanding that a party may execute it under hand.
6. This Extension Certificate has been executed and delivered as a deed on the date stated at the beginning of this Extension Certificate.
7. This Extension Certificate and any non-contractual obligations arising out of it are governed by English law.

**THE SCHEDULE
INCREASED COMMITMENT**

Executed as a deed by Amsterdamse Beheer- En Consultingmaatschappij B.V.

Director/Secretary/Authorised Signatory

Director/Secretary/Authorised Signatory

Executed as a deed by [Extending Lender]⁽⁶⁾

(6) Execution approach to be reviewed at the time of signing to ensure it is appropriate for the relevant Increasing Lender.

acting by [NAME])

and)
[NAME])

)
acting under the authority of that company,)

in the presence of:

Witness's signature:

Name:

Address:

The Increase Effective Date is confirmed by the Agent as [].

[AGENT]

By:

As Facility Agent

and for and on behalf of each of the parties to the Agreement (other than the Obligors and the Extending Lender)

SCHEDULE 21
FORM OF FACILITY E VOTING DEED POLL

THIS DEED is executed as a deed on 2010 by:

- (1) [•] (the Facility E Lender).

WITNESSES as follows:

1. BACKGROUND

- (A) This Deed sets out the manner in which the Facility E Lender will exercise its voting rights in respect of any request for a consent, waiver or amendment or any other vote under any Senior Finance Document.
- (B) This Deed and the terms set out herein are given for the benefit of the Third Party Beneficiaries. The Third Party Beneficiaries may enforce the terms of this Deed.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

In this Deed:

Unless defined herein or the context otherwise requires, all capitalised terms shall have the meanings given in the Senior Credit Agreement and:

Administrative Voting Request means any request for Majority Lender consent under Clause 17.7(b) (Partial payments) or Clause 24.13 (Resignation) of the Senior Credit Agreement.

Enforcement Voting Request means a request made to the Lenders at any time for a consent, waiver or amendment or any other vote under or in connection with any Senior Finance Document in each case in relation to any enforcement of the Transaction Security.

Lender Voting Entitlement means, at any time, in respect of a Lender and a Voting Request, the amount of that Lender's voting entitlement with respect to that Voting Request.

Non-Enforcement Voting Request means a request made to the Lenders at any time for a consent, waiver or amendment or any other vote under or in connection with any Senior Finance Document other than:

- (a) in relation to any enforcement of the Transaction Security; or
- (b) under Clause 2.15(h) (Facility E) of the Senior Credit Agreement.

Noteholder means any holder of Senior Secured Notes.

Noteholder Abstain means, in relation to an Underlying Voting Request at any time, the aggregate of all Senior Secured Notes that have been voted to neither accept nor reject that Underlying Voting Request as a proportion of the aggregate principal amount of all Senior Secured Notes outstanding at that time.

Noteholder Acceptance means, in relation to an Underlying Voting Request at any time, the aggregate of all Senior Secured Notes that have been voted to accept that Underlying Voting Request as a proportion of the aggregate principal amount of all Senior Secured Notes outstanding at that time.

Noteholder Rejection means, in relation to an Underlying Voting Request at any time, the aggregate of all Senior Secured Notes that have been voted to reject that Underlying Voting Request as a proportion of the aggregate principal amount of all Senior Secured Notes outstanding at that time.

Senior Credit Agreement means the senior credit agreement dated 12 September 2006 between, amongst others, the Parent, certain of the other Obligors, the Senior Agent and the Security Agent as amended and/or amended and restated from time to time.

Senior Lender Abstain means, in relation to a Voting Request at any time, the aggregate of the Lender Voting Entitlements of all Lenders (other than the Facility E Lender) who have neither accepted nor rejected that Voting Request as a proportion of the aggregate of all Lender Voting Entitlements (other than the Facility E Lender's Lender Voting Entitlement) at that time.

Senior Lender Acceptance means, in relation to a Voting Request at any time, the aggregate of the Lender Voting Entitlements of all Lenders (other than the Facility E Lender) who have accepted that Voting Request as a proportion of the aggregate of all Lender Voting Entitlements (other than the Facility E Lender's Lender Voting Entitlement) at that time.

Senior Lender Rejection means, in relation to a Voting Request at any time, the aggregate of the Lender Voting Entitlements of all Lenders (other than the Facility E Lender) who have rejected that Voting Request as a proportion of the aggregate of all Lender Voting Entitlements (other than the Facility E Lender's Lender Voting Entitlement) at that time.

Third Party Beneficiary means each Agent and each other Finance Party other than the Facility E Lender.

Transaction Security has the meaning given to that term in the Priority Agreement.

Underlying Voting Request means, with respect to any Administrative Voting Request or any Enforcement Voting Request, any corresponding request that is delivered to the Noteholders by the Facility E Lender.

Voting Request means a Non-Enforcement Voting Request or an Enforcement Voting Request.

2.2 Interpretation

The provisions of clause 1.2 (Construction) of the Senior Credit Agreement apply to this Deed as though they were set out in full in this Deed, except that references to the Senior Credit Agreement are to be construed as references to this Deed.

3. NON-ENFORCEMENT VOTING REQUEST

- (a) Except as set out in paragraph (b) below, the Facility E Lender, in respect of any Non-Enforcement Voting Request, irrevocably authorises the relevant Agent to treat its Lender Voting Entitlement as having been voted in respect of that Non-Enforcement Voting Request as if its Lender Voting Entitlement had been split and voted as an acceptance, a rejection and/or neither an acceptance nor a rejection in respect of that Non-Enforcement Voting Request, in each case in the same proportions as the Senior Lender Acceptance, the Senior Lender Rejection and the Senior Lender Abstain (respectively) in respect of the same Non-Enforcement Voting Request.
- (b) Paragraph (a) above will not apply in the case of any Non-Enforcement Voting Request:
 - (i) which is an Administrative Voting Request, in which case the Facility E Lender will be entitled to exercise its Lender Voting Entitlement in respect of such Administrative Voting Request so that its Lender Voting Entitlement is split and voted as an acceptance, a rejection and/or neither an acceptance nor a rejection, in each case in the same proportions as the Noteholder Acceptance, the Noteholder Rejection and the Noteholder Abstain (respectively) in relation to the Underlying Voting Request relating to that Administrative Voting Request at the relevant time; or
 - (ii) which requires the consent of all Lenders, in which case the relevant Agent is irrevocably authorised to treat the Facility E Lender as if it had accepted the relevant Non-Enforcement Voting Request.

4. ENFORCEMENT VOTING REQUEST

In respect of any Enforcement Voting Request, the Lender Voting Entitlement of the Facility E Lender will be treated as follows:

- (a) if its Lender Voting Entitlement at the relevant time is:
 - (i) less than or equal to 25% of the aggregate of all Lender Voting Entitlements at that time; or
 - (ii) greater than or equal to $66\frac{2}{3}\%$ of the aggregate of all Lender Voting Entitlements at that time,

it will be entitled to exercise its Lender Voting Entitlement so that its Lender Voting Entitlement is split and voted as an acceptance, a rejection and/or neither an acceptance nor a rejection in respect of the relevant Enforcement Voting Request, in each case in the same proportions as the Noteholder Acceptance, the Noteholder Rejection and the Noteholder Abstain (respectively) in relation to the Underlying Voting Request relating to the same Enforcement Voting Request;

- (b) if its Lender Voting Entitlement at the relevant time is greater than 25% of the aggregate of all Lender Voting Entitlements at that time but less than $66\frac{2}{3}\%$ of the aggregate of all Lender Voting Entitlements at that time:
 - (i) it will be entitled to exercise its Lender Voting Entitlement in an amount equal to 25% of the aggregate of all Lender Voting Entitlements and such Lender Voting Entitlement of the Facility E Lender shall be split and voted pro rata as an acceptance, a rejection and/or neither an acceptance nor a rejection in respect of the relevant Enforcement Voting Request, in each case in the same proportions as the Noteholder Acceptance, the Noteholder Rejection and the Noteholder Abstain (respectively) in relation to the Underlying Voting Request relating to the relevant Enforcement Voting Request; and
 - (ii) the Facility E Lender irrevocably authorises the relevant Agent to treat its Lender Voting Entitlement in excess of 25% of the aggregate of all Lender Voting Entitlements as if it had been split and voted as an acceptance, a rejection and/or neither an acceptance nor a rejection, in each case in the same proportions as the Senior Lender Acceptance, the Senior Lender Rejection and the Senior Lender Abstain (respectively) in respect of the relevant Enforcement Voting Request.

5. FACILITY E LENDER'S RIGHT TO VOTE

- (a) In relation to any Voting Request, the Lender Voting Entitlement of the Facility E Lender will only be taken into account in accordance with Clause 3 (Non-enforcement Voting Request) and Clause 4 (Enforcement Voting Request).
- (b) In relation to any vote where the Facility E Lender's Voting Entitlement is required to be split and voted as an acceptance, a rejection and/or neither an acceptance nor a rejection, in each case in the same proportions as the Noteholder Acceptance, the Noteholder Rejection and the Noteholder Abstain (respectively) in relation to an Underlying Voting Request, the Facility E Lender will supply to the relevant Agent a notice from the Senior Secured Note Trustee confirming the respective proportions of the votes of the holders of the Senior Secured Notes in relation to that Underlying Voting Request. If no such notice is received by the relevant Agent, that Agent will treat the Facility E Lender's Voting Entitlement in relation to the relevant vote as neither an acceptance nor a rejection.
- (c) This Deed does not regulate the rights of the Facility E Lender under Clauses 23.19(c) (Acceleration) or 2.15(h) (Facility E) of the Senior Credit Agreement or the rights of any holder of Senior Secured Notes under any Senior Secured Notes Indenture. The Facility E Lender is free to exercise its rights under those clauses as it sees fit.

6. AMENDMENTS AND WAIVERS

No amendment or waiver of this Deed may be made without the agreement of the Facility E Lender and the Majority Lenders. The Lender Voting Entitlement of the Facility E Lender in determining the Majority Lenders (only) in accordance with this Clause 6 shall be determined in accordance with Clause 3(a) (Non-Enforcement Voting Request) above. For the avoidance of doubt, other than the consent of the Majority Lenders, no consent of any other Third Party Beneficiary is required for an amendment or waiver of this Deed.

7. ASSIGNMENT AND TRANSFERS BY THE FACILITY E LENDER

The Facility E Lender may not transfer any of its rights or obligations under this Deed and, notwithstanding anything to the contrary in the Senior Credit Agreement, may not assign or transfer any of its rights and obligations under any Senior Finance Document, in each case, except as permitted under Clause 30.4 (Assignments and transfers—Facility E) of the Senior Credit Agreement.

8. GOVERNING LAW

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

9. ENFORCEMENT

9.1 Jurisdiction

- (a) The English courts have exclusive jurisdiction to settle any dispute in connection with this Deed and any dispute relating to any non-contractual obligation arising out of or in connection with this Deed.
- (b) The English courts are the most appropriate and convenient courts to settle any such dispute in connection with this Agreement. The Facility E Lender agrees not to argue to the contrary and waives objection to those courts on the grounds of inconvenient forum or otherwise in relation to proceedings in connection with this Agreement.
- (c) This Clause is for the benefit of the Third Party Beneficiaries only. To the extent allowed by law, the Third Party Beneficiaries may take:
 - (i) proceedings in any other court; and
 - (ii) concurrent proceedings in any number of jurisdictions.
- (d) References in this Clause to a dispute in connection with this Deed include any dispute as to the existence, validity or termination of this Deed.

9.2 [Service of process]

- (a) The Facility E Lender appoints [•] as its agent for service of process relating to any proceedings before the English courts in connection with this Deed.
- (b) If [•] is unable for any reason to so act, the Facility E Lender must promptly (and in any event within 10 Business Days of such event taking place) appoint another agent. Failing this, the Facility Agent may appoint another process agent for this purpose.
- (c) The Facility E Lender agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings.
- (d) This Clause does not affect any other method of service allowed by law.⁽⁷⁾

(7) Note: This Clause can be deleted where the Facility E Lender is incorporated in England.

IN WITNESS of which this deed has been executed and has been delivered on the date which appears first on page 1.

SIGNATORIES

Signed as a Deed by [●]
acting by

)
)
)
)
)

In the presence of:
Signature of Witness:
Name:
Address:

SCHEDULE 22

CONSOLIDATED NET INCOME

Each of the terms (save for the term “Parent”) included in this Schedule shall have the meaning given to them in the Senior Unsecured Note Indenture for the Initial Senior Unsecured Notes.

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:

- (a) 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;
- (b) 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 Parent (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 Parent’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 Parent 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);
- (c) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Parent 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 Parent) will be excluded;
- (d) 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 Parent or its Subsidiaries will be excluded;
- (e) the cumulative effect of a change in accounting principles will be excluded;
- (f) 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 Parent) will be excluded;
- (g) 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;
- (h) any non-cash compensation charge or expenses arising from any grant of stock, stock options or other equity-based awards will be excluded;
- (i) any goodwill or other intangible asset impairment charges will be excluded;

- (j) 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
- (k) any capitalized interest on any Subordinated Shareholder Debt will be excluded.

SIGNATORIES

[Original Signature Pages deleted]

ANNEX B

Voting Deed Poll

FACILITY E VOTING DEED POLL

THIS DEED is executed as a deed on October 2010 by:

- (1) Ziggo Finance B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands (the “**Facility E Lender**”).

WITNESSES as follows:

1. **BACKGROUND**

- (A) This Deed sets out the manner in which the Facility E Lender will exercise its voting rights in respect of any request for a consent, waiver or amendment or any other vote under any Senior Finance Document.
- (B) This Deed and the terms set out herein are given for the benefit of the Third Party Beneficiaries. The Third Party Beneficiaries may enforce the terms of this Deed.

2. **DEFINITIONS AND INTERPRETATION**

2.1 **Definitions**

In this Deed:

Unless defined herein or the context otherwise requires, all capitalised terms shall have the meanings given in the Senior Credit Agreement and:

Administrative Voting Request means any request for Majority Lender consent under Clause 17.7(b) (*Partial payments*) or Clause 24.13 (*Resignation*) of the Senior Credit Agreement.

Enforcement Voting Request means a request made to the Lenders at any time for a consent, waiver or amendment or any other vote under or in connection with any Senior Finance Document in each case in relation to any enforcement of the Transaction Security.

Lender Voting Entitlement means, at any time, in respect of a Lender and a Voting Request, the amount of that Lender’s voting entitlement with respect to that Voting Request.

Non-Enforcement Voting Request means a request made to the Lenders at any time for a consent, waiver or amendment or any other vote under or in connection with any Senior Finance Document other than:

- (a) in relation to any enforcement of the Transaction Security; or
- (b) under Clause 2.15(h) (*Facility E*) of the Senior Credit Agreement.

Noteholder means any holder of Senior Secured Notes.

Noteholder Abstain means, in relation to an Underlying Voting Request at any time, the aggregate of all Senior Secured Notes that have been voted to neither accept nor reject that Underlying Voting Request as a proportion of the aggregate principal amount of all Senior Secured Notes outstanding at that time.

Noteholder Acceptance means, in relation to an Underlying Voting Request at any time, the aggregate of all Senior Secured Notes that have been voted to accept that Underlying Voting Request as a proportion of the aggregate principal amount of all Senior Secured Notes outstanding at that time.

Noteholder Rejection means, in relation to an Underlying Voting Request at any time, the aggregate of all Senior Secured Notes that have been voted to reject that Underlying Voting Request as a proportion of the aggregate principal amount of all Senior Secured Notes outstanding at that time.

Senior Credit Agreement means the senior credit agreement dated 12 September 2006 between, amongst others, the Parent, certain of the other Obligors, the Senior Agent and the Security Agent as amended and/or amended and restated from time to time.

Senior Lender Abstain means, in relation to a Voting Request at any time, the aggregate of the Lender Voting Entitlements of all Lenders (other than the Facility E Lender) who have neither accepted nor rejected that Voting Request as a proportion of the aggregate of all Lender Voting Entitlements (other than the Facility E Lender's Lender Voting Entitlement) at that time.

Senior Lender Acceptance means, in relation to a Voting Request at any time, the aggregate of the Lender Voting Entitlements of all Lenders (other than the Facility E Lender) who have accepted that Voting Request as a proportion of the aggregate of all Lender Voting Entitlements (other than the Facility E Lender's Lender Voting Entitlement) at that time.

Senior Lender Rejection means, in relation to a Voting Request at any time, the aggregate of the Lender Voting Entitlements of all Lenders (other than the Facility E Lender) who have rejected that Voting Request as a proportion of the aggregate of all Lender Voting Entitlements (other than the Facility E Lender's Lender Voting Entitlement) at that time.

Third Party Beneficiary means each Agent and each other Finance Party other than the Facility E Lender.

Transaction Security has the meaning given to that term in the Priority Agreement.

Underlying Voting Request means, with respect to any Administrative Voting Request or any Enforcement Voting Request, any corresponding request that is delivered to the Noteholders by the Facility E Lender.

Voting Request means a Non-Enforcement Voting Request or an Enforcement Voting Request.

2.2 Interpretation

The provisions of clause 1.2 (*Construction*) of the Senior Credit Agreement apply to this Deed as though they were set out in full in this Deed, except that references to the Senior Credit Agreement are to be construed as references to this Deed.

3. NON-ENFORCEMENT VOTING REQUEST

- (a) Except as set out in paragraph (b) below, the Facility E Lender, in respect of any Non-Enforcement Voting Request, irrevocably authorises the relevant Agent to treat its Lender Voting Entitlement as having been voted in respect of that Non-Enforcement Voting Request as if its Lender Voting Entitlement had been split and voted as an acceptance, a rejection and/or neither an acceptance nor a rejection in respect of that Non-Enforcement Voting Request, in each case in the same proportions as the Senior Lender Acceptance, the Senior Lender Rejection and the Senior Lender Abstain (respectively) in respect of the same Non-Enforcement Voting Request.
- (b) Paragraph (a) above will not apply in the case of any Non-Enforcement Voting Request:
 - (i) which is an Administrative Voting Request, in which case the Facility E Lender will be entitled to exercise its Lender Voting Entitlement in respect of such Administrative Voting Request so that its Lender Voting Entitlement is split and voted as an acceptance, a rejection and/or neither an acceptance nor a rejection, in each case in the same proportions as the Noteholder Acceptance, the Noteholder Rejection and the Noteholder Abstain (respectively) in relation to the Underlying Voting Request relating to that Administrative Voting Request at the relevant time; or
 - (ii) which requires the consent of all Lenders, in which case the relevant Agent is irrevocably authorised to treat the Facility E Lender as if it had accepted the relevant Non-Enforcement Voting Request.

4. ENFORCEMENT VOTING REQUEST

In respect of any Enforcement Voting Request, the Lender Voting Entitlement of the Facility E Lender will be treated as follows:

- (a) if its Lender Voting Entitlement at the relevant time is:
 - (i) less than or equal to 25% of the aggregate of all Lender Voting Entitlements at that time; or
 - (ii) greater than or equal to $66\frac{2}{3}\%$ of the aggregate of all Lender Voting Entitlements at that time,

it will be entitled to exercise its Lender Voting Entitlement so that its Lender Voting Entitlement is split and voted as an acceptance, a rejection and/or neither an acceptance nor a rejection in respect of the relevant Enforcement Voting Request, in each case in the same proportions as the Noteholder Acceptance, the Noteholder Rejection and the Noteholder Abstain (respectively) in relation to the Underlying Voting Request relating to the same Enforcement Voting Request;

- (b) if its Lender Voting Entitlement at the relevant time is greater than 25% of the aggregate of all Lender Voting Entitlements at that time but less than $66\frac{2}{3}\%$ of the aggregate of all Lender Voting Entitlements at that time:
 - (i) it will be entitled to exercise its Lender Voting Entitlement in an amount equal to 25% of the aggregate of all Lender Voting Entitlements and such Lender Voting Entitlement of the Facility E Lender shall be split and voted pro rata as an acceptance, a rejection and/or neither an acceptance nor a rejection in respect of the relevant Enforcement Voting Request, in each case in the same proportions as the Noteholder Acceptance, the Noteholder Rejection and the Noteholder Abstain (respectively) in relation to the Underlying Voting Request relating to the relevant Enforcement Voting Request; and
 - (ii) the Facility E Lender irrevocably authorises the relevant Agent to treat its Lender Voting Entitlement in excess of 25% of the aggregate of all Lender Voting Entitlements as if it had been split and voted as an acceptance, a rejection and/or neither an acceptance nor a rejection, in each case in the same proportions as the Senior Lender Acceptance, the Senior Lender Rejection and the Senior Lender Abstain (respectively) in respect of the relevant Enforcement Voting Request.

5. FACILITY E LENDER'S RIGHT TO VOTE

- (a) In relation to any Voting Request, the Lender Voting Entitlement of the Facility E Lender will only be taken into account in accordance with Clause 3 (*Non-enforcement Voting Request*) and Clause 4 (*Enforcement Voting Request*).
- (b) In relation to any vote where the Facility E Lender's Voting Entitlement is required to be split and voted as an acceptance, a rejection and/or neither an acceptance nor a rejection, in each case in the same proportions as the Noteholder Acceptance, the Noteholder Rejection and the Noteholder Abstain (respectively) in relation to an Underlying Voting Request, the Facility E Lender will supply to the relevant Agent a notice from the Senior Secured Note Trustee confirming the respective proportions of the votes of the holders of the Senior Secured Notes in relation to that Underlying Voting Request. If no such notice is received by the relevant Agent, that Agent will treat the Facility E Lender's Voting Entitlement in relation to the relevant vote as neither an acceptance nor a rejection.
- (c) This Deed does not regulate the rights of the Facility E Lender under Clauses 23.19(c) (*Acceleration*) or 2.15(h) (*Facility E*) of the Senior Credit Agreement or the rights of any holder of Senior Secured Notes under any Senior Secured Notes Indenture. The Facility E Lender is free to exercise its rights under those clauses as it sees fit.

6. AMENDMENTS AND WAIVERS

No amendment or waiver of this Deed may be made without the agreement of the Facility E Lender and the Majority Lenders. The Lender Voting Entitlement of the Facility E Lender in determining the Majority Lenders (only) in accordance with this Clause 6 shall be determined in accordance with Clause 3(a) (*Non-Enforcement Voting Request*) above. For the avoidance of doubt, other than the consent of the Majority Lenders, no consent of any other Third Party Beneficiary is required for an amendment or waiver of this Deed.

7. ASSIGNMENT AND TRANSFERS BY THE FACILITY E LENDER

The Facility E Lender may not transfer any of its rights or obligations under this Deed and, notwithstanding anything to the contrary in the Senior Credit Agreement, may not assign or transfer any of its rights and obligations under any Senior Finance Document, in each case, except as permitted under Clause 30.4 (*Assignments and transfers—Facility E*) of the Senior Credit Agreement.

8. GOVERNING LAW

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

9. ENFORCEMENT

9.1 Jurisdiction

- (a) The English courts have exclusive jurisdiction to settle any dispute in connection with this Deed and any dispute relating to any non-contractual obligation arising out of or in connection with this Deed.
- (b) The English courts are the most appropriate and convenient courts to settle any such dispute in connection with this Agreement. The Facility E Lender agrees not to argue to the contrary and waives objection to those courts on the grounds of inconvenient forum or otherwise in relation to proceedings in connection with this Agreement.
- (c) This Clause is for the benefit of the Third Party Beneficiaries only. To the extent allowed by law, the Third Party Beneficiaries may take:
 - (i) proceedings in any other court; and
 - (ii) concurrent proceedings in any number of jurisdictions.
- (d) References in this Clause to a dispute in connection with this Deed include any dispute as to the existence, validity or termination of this Deed.

9.2 Service of process

- (a) The Facility E Lender appoints Law Debenture Corporate Services Limited (at 5th Floor, 100 Wood Street, London EC2V 7EX) as its agent for service of process relating to any proceedings before the English courts in connection with this Deed.
- (b) If Law Debenture Corporate Services Limited is unable for any reason to so act, the Facility E Lender must promptly (and in any event within 10 Business Days of such event taking place) appoint another agent. Failing this, the Facility Agent may appoint another process agent for this purpose.
- (c) The Facility E Lender agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings.
- (d) This Clause does not affect any other method of service allowed by law.

IN WITNESS of which this deed has been executed and has been delivered on the date which appears first on page 1.

SIGNATORIES

Signed as a Deed by **Ziggo Finance B.V.** acting by
In the presence of:

Signature of Witness:

Name:

Address:

REGISTERED OFFICE OF THE ISSUER

Ziggo Finance B.V.
Herengracht 450
1017 CA Amsterdam
The Netherlands

LEGAL ADVISORS TO THE ISSUER

As to U.S. and English 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. and English 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 Finance B.V.
€750,000,000
6¹/₈% Senior Secured Notes due 2017

OFFERING MEMORANDUM
